Editorial Comment

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Toward Representative Government

THE method by which, in my opinion, truly representative government can be introduced in New York is by the adoption of a system of proportional representation, as a result of which every substantial group of voters in the community would be represented in the governing body in proportion to its relative voting strength.

"We would then see an end of the unfair system which has prevailed in New York City, by which one political group, which does not have even half the votes, usually elects practically the entire board of estimate and the entire board of aldermen, leaving all voters of other convictions without a single representative in the government of the city."

Samuel Seabury, broadcasting his successful appeal for a new charter commission for New York City on August 8, summed up in these words the place of proportional representation in the thorough-going charter revision which he covets for the world's greatest city. The old commission, from which he had just resigned with Ex-Governor Smith and four others, had itself voted to submit "P.R." to the people. At its hearings not only the civic groups with startling unanimity but all the important political groups except Tammany and its allies had appeared in support of the principle.

In Philadelphia, where no Democrat has been elected to the city council in recent memory and where representatives of the vast numbers of independent Republicans are only a little less rare, Judge Seabury's words would be equally appropriate. Philadelphia too has its insistent demand for proportional representation, thus far kept from a vote by the Vare machine but with real hope of success in the legislature next winter.

Pittsburgh, Boston, Toledo, Kansas City, Seattle, Portland—these and many smaller cities seem within striking distance of the same goal. Cincinnati, Hamilton, and Boulder continue in the forefront of well-governed cities and their civic leaders give P.R. a large share of the credit.

Over in Canada the Liberal leader W. L. Mackenzie King repeats his pledge to apply P.R. to parliamentary elections in the urban centers if returned to power, and recent Liberal landslides in Ontario and Saskatchewan make it appear that he will not have long to wait.

In the Irish Free State, where the most approved form of P.R. is in use for all elections, the principle has been

upheld this year in the conventions of both major parties.

In the commonwealth of Australia, where the province of Tasmania has used the same form of P.R. since 1907, New South Wales has just applied it to the upper house of its legislature and there is renewed civic activity for its general adoption in that province and also in South Australia and Victoria.

A look around the world, or even around our own country, makes it evident that this feature of the National Municipal League's model city and county charters and model state constitution must be taken seriously. It is no mere fad. Neither is it just another of the tools of improved modern government.

There is an increasing realization that it is the one governmental device which, if properly geared with others, will make it certain that all the tools of government are used by the right people. Without it, as Mayor Russell Wilson of Cincinnati told an influential group organizing for better government in Springfield, Ohio, even the most efficient of city manager arrangements may bring to the people only such benefits as will not inconvenience a Pendergast (Kansas City) political machine. With it no machine can hope to control unless it has the genuine support of a majority of the voters, and that no unrepentent machine of the Curry-Vare-Thompson-Hynicka variety can nowadays hope to have.

Take New York City. Three years ago Tammany and its allies elected every alderman but one—sixty-four out of sixty-five. Yet its actual vote in the final election was only 65 per cent. And that was after it had weeded out the independent Democrats by the primaries and by the sheer discouragement of past failures. If we make the very moderate assumption that 20 per cent out of the sixty-five who voted Democratic would have preferred to elect independent Democrats of the type exemplified by Judge Seabury, it becomes evident that the Democratic organization was actually in a minority. Under P.R. it would have elected only its corresponding minority of the members, as the once equally powerful Republican organization minority has done year in and year out under P.R. in Cincinnati.

With the contrast between Cincinnati's past and present governments in view and the contrast between the present government in most other cities and the sort the average voter wants in mind, it is scarcely too much to say that until we have P.R. we do not have representative government.

Real representative government is one in which the representative body is really representative and in which it has power to govern. In cities that means proportional representation and the city manager plan.

At least the first part of this prescription New York City may be about to try. If it does the results should do even more than Cincinnati's recovery to defeat the opposition of political medicine men and carry it to every debt-sick and boss-sick city in the land.

GEORGE H. HALLETT, JR.

"The progress in the last quarter century in many of our governments has been sure and generally upward. That of the next decade will be more intelligently planned and conducted. We are beginning to realize at last that the local units are the cornerstone upon which the nation is constructed. As governs the county or city, so governs the state and the nation, is good practical politics."

EDWIN A. COTTRELL, Stanford University,
In *Public Management*, July 1934

HEADLINES

Pescadero Reclamation District 2058, San Joaquin County, California, reaches a compromise with its creditors under the new Municipal Bankruptcy Act, the first governmental unit in the country to take advantage of this legislation, according to *Municipal Finance.*

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Michigan's assessed valuation for 1933 is announced as $5,830,000,000, declining from $8,564,000,000 in 1929. But the old county governments of 1835 still live.

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Taking stock of the state's school system, the *Wisconsin Taxpayer* makes the picturesque discovery that the Badgers have more school board members than teachers. This is because every school district is an independent, tax-levying government with three board members, so that 6,300 one-room, one-teacher rural schools are administered by nearly 19,000 elected board members. Another reason why states go broke.

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Duluth proposes to prohibit by ordinance cats and dogs from entering public dining rooms and kitchens. Wall street watches results with interest, as the ordinance idea might be adapted to controlling the Stock Exchange species of these same little animals.

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Akron joins the growing list of cities that are considering municipal distribution as a feasible way out of the milk problem. Interest in municipal milk plants is widespread, but so far the enthusiasts for the idea are all willing to let some other city try it first—which altruism the commercial milk dealers are the first to commend.

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New York City's $58,000,000 bond issue was oversubscribed in less than an hour. This, comments the *United States Municipal News,* shows a general improvement in the municipal securities market, but does not mean that the crisis has passed.

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Springfield, Mass., sells a short-time bond issue at .19 per cent—a record for low rates.

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Milwaukee reports an estimated saving of 15 per cent on city supplies, due to its centralized purchasing system.

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Commenting on the proposed Tax Limitation Amendment in Oregon, the *Oregon Voter* says, "The tax disease is so severe, so nearly fatal, that property taxpayers will reach for this remedy like children reaching for candy. We look forward to its being swallowed determinedly and triumphantly by a huge majority. Its good

effects will be immediate, its evil effects that of the kind of creeping paralysis that feels comfortably delightful at first and which makes Arkansas Crackers out of people who come to like it."

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A permanent committee to study motor vehicle problems in the western cities is established by the Western Bus and Truck Owners Conference.

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One positive benefit among the depression's many dubious contributions to civic progress is the development of public foresight to supplant hindsight in the handling of public relief affairs. Seventy-nine American cities, as against practically none in 1929, are conducting surveys to determine occupational possibilities of their needy unemployed. Arkansas and Pennsylvania are making studies to develop permanent relief policies for the future.

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Many foreign countries use "courtesy methods" in dealing with minor offenders according to Donald P. Stone, of the Public Administration Service. In England, for example, over nine-tenths of the offenders in minor crimes and about half of those charged with indictable offenses are brought to court through use of a summons instead of by arrest. The English police find arresting unnecessary, an inconvenience to the offender and costly in police time and expense.

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Colonel O. W. Hoop, sometime professor of history in the University of Tulsa, and now Commissioner of Police in that same Oklahoma city, announces these two planks for his platform in handling the city jail: "The city jail should not be a glorified country club. The jail should be so uncomfortable that the star boarders do not want to return."

Tulsa may be an exception, but the average American city would have no difficulty in pointing out dissimilarities between its jails and its country clubs. And most of the "star boarders" aren't there because they like it, anyway.

* * *

Senator Royal S. Copeland, in submitting a report of the senate committee on crime investigation, asks for more stringent interstate restrictions on firearms, and also for further regulation of juvenile crime. Evidently the senator holds that it should be no function of our well known schools of crime to teach the young idea how to shoot.

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Texas, according to its state comptroller, collected a million dollars more of delinquent taxes the first part of 1934, than on the same date in 1933. This means either that the Texans are getting richer and can afford to pay up, or are getting poorer and incurring more delinquencies, or that the pay-your-taxes campaign is working this year, or that it didn't work last year, or perhaps something else. Anyway, they got the money.

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"We can continue," said Dr. Edwin A. Lee, San Francisco's superintendent of schools, before the Commonwealth Club of that city, "to think in horse-and-buggy terms while riding at fifty miles an hour if we want to. Or we can perform that most difficult of all human tasks, adjust our thinking to the realities of today." Dr. Lee at the time was discussing the interesting facts that one out of every four American cities shortened their school terms and 100,000 children were kept out of school last fall for lack of funds.

Wisconsin's Broadcasting System

Radio proves a strong link between the public and its government

ELTON D. WOOLPERT

University of Chicago

THE problems of radio broadcasting, always sure to arouse public interest, have been given unusual attenpresent debating the Dill Communication in recent months. Congress recently passed the Dill communications control bill which establishes a new commission to succeed the present Federal Radio Commission; debating teams throughout the country have discussed the subject of British versus American systems of broadcasting; and many articles on radio have appeared in current issues of popular magazines. Those who have been following the subject have been impressed with the growing intensity of the controversy regarding the proper relation of government to the radio broadcasting industry, and it requires no prophetic vision to foresee that private versus public control of broadcasting is rapidly becoming a major national issue.

Throughout all of the varied forms of discussion of the problem, there is no issue more certain to draw fire from all parties concerned than that of government censorship of radio. Those who favor private ownership of broadcasting are alarmed at the thought of placing such a powerful instrument of public opinion in the hands of the government, and instances of dictatorial abuse of radio control in other countries are cited to indicate what we may expect if private ownership is abandoned in the United States. The proponents of government control deny that public ownership necessarily results in curbing freedom of speech over the air, and the counter-charge is made that in the United States we have a private censorship by station managers that is more vicious and less responsible than any which might come of official control.

Inasmuch as most of the arguments presented are more heated than enlightening, and since a large part of the predictions are made on the basis of foreign systems not well understood in this country, it may be of particular value to call public attention to the policies and experience of a government-owned station in this country which has been a pioneer in the field of educational and political broadcasting.

The station, or stations, referred to are those owned and operated by the state of Wisconsin, WHA and WLBL. The former is located at the University of Wisconsin at Madison, and the latter, at Stevens Point, is operated by the department of agriculture and markets. Wire lines now connect the two stations, and, although each retains its identity, many of the leading programs originating in the WHA studios are also broadcast by the Stevens Point station, thus making it possible for the linked stations to reach effectively about 90 per cent of the people of the state. A move was started in 1930 to merge the two stations, but the

petition for a single 5,000 watt station was denied by the Federal Radio Commission, and the present chain hook-up was devised as the only means of providing for state-wide coverage. WHA, being located at Madison, the state capitol and home of the University of Wisconsin, has more available talent for the type of program to be discussed in this paper, so the larger part of our attention will be focused on the Madison station, but the relations with WLBL should not be overlooked.

A STATE STATION

WHA, although originally operated as a part of the University, is now truly a state station, operating under a separate budget appropriation. In addition to the university radio committee (composed of one representative from each college) which acts as a sort of board of directors for the station, there is also a somewhat informal state radio committee, made up of state officials whose departments participate in the station's governmental broadcasts. Thus we find that WHA is more than a university station—it is, as its announcements indicate, the Wisconsin State Broadcasting Station.

Although the Wisconsin radio stations provide a number of educational features worthy of commendation, our attention will be concentrated on those programs dealing with political and governmental subjects. These may be classified under the following heads: (1) campaign broadcasts, (2) legislative broadcasts, (3) state capitol visits, (4) radio forum, (5) taxation talks, and (6) informational broadcasts.

Perhaps the most unique contribution made by Wisconsin to educational broadcasting is its series of campaign broadcasts. At the instigation of the university radio committee, a meeting of representatives of the five political groups of the state and officials of the two radio stations was held in Madison on August 12, 1932. As a result of this meeting an agreement was reached whereby free time on the air was placed at the disposal of the five political groups—the Democrats, the Republicans, the Progressive Republicans, the Socialists, and the Prohibitionists. One and one-half hours per day for four weeks prior to the primary election were divided *equally* among the five groups, and a special program was arranged for the day preceding the primary on which representatives of all five groups appeared. Not only was free and equal time provided to the parties, but the choice of speakers was delegated to the party representatives, and the station officials exercised no censorship whatsoever over the material presented, beyond the reminder that speakers should refrain from remarks that would be in violation of the law of libel. It was agreed that the speakers should limit themselves to the discussion of state or national issues and that five copies of each speech would be filed with station officials at the time of the broadcast, the latter provision being for the purpose of enabling each party and speaker to keep informed on the issues discussed by other speakers. Since copies of the speeches were not required in advance, it was clear that no censorship was intended.

Again, for a month prior to the regular election the facilities of WHA and WLBL were provided for an hour each day under the same conditions that were agreed on before the primary. For this election the Republicans were considered as one group, and time was allotted to the Communists and Social Laborites, parties who were not eligible for inclusion in the pre-primary agreement. It happened that the Communists were not able to use the share of time allotted them, so the unused time was distributed among the other groups.

Despite warnings by certain persons of the dangers inherent in such a radical experiment, the results were so satisfactory that the continuance of the plan is practically assured for the coming elections. The minority groups in particular were quick to praise the plan, for here was a device which gave to the minorities an equal chance to present their arguments to the public. The radio campaign gave no advantage to the party with the largest treasury, and the problem of excessive use of campaign funds was partially solved. Because of the fact that several of the minority groups are practically without press support in the state, the radio offered them their first real opportunity to conduct a general campaign throughout the state.

LEGISLATIVE BROADCASTS

Not only at election time are Wisconsin voters kept in touch with their elected representatives. During the last two sessions of the state legislature there have been regular legislative broadcasts from the capital. Special broadcasts were made from the floor of the legislative chambers on such occasions as the governor's inaugural address and budget message. Then, at the beginning of each session, every senator and assemblyman is invited to use the state's radio facilities to keep his constituents informed of his activities and of any bills he is sponsoring. Each day during the session some legislator who is prominent in the news of the day is featured in a broadcast from the special studio in the capitol building. Broadcasts of special events or debates on the floor can be arranged on very short notice. As in the political broadcasts, no suggestion of censorship exists. Another legislative feature is the weekly summary and explanation of important capitol developments conducted by the Women's Legislative Council of Wisconsin. The extensive use made by legislators of these radio facilities is indicative of their appreciation of the significance of this new medium of contact between representatives and their constituents. The radio provides the legislator with an opportunity to talk directly to his constituents with complete freedom from censorship or misinterpretation by a hostile press, and the voters are provided with a much more satisfactory check on their representatives than is to be found in sporadic contacts at election time.

CAPITOL VISITS

Carrying one step farther their program of introducing to the public the officers of the government, the Wisconsin state stations conduct a weekly state capitol visit with a state official or department head. Although this feature is a part of the Wisconsin school of the air and is designed primarily to supplement the study of civics and citizenship in the schools, its audience is by no means limited to school children. Letters to the stations and to the officials interviewed indicate that many parents follow with great interest these weekly broadcasts, and, were it not for the fact that the state stations are limited to daytime broadcasting, similar programs at a later hour would no doubt attract a much larger adult following. These state capitol visits are presented in an informal manner, the announcer asking the official a number of questions dealing with the purposes, activities, and problems of his department, and the official is asked to tell the audience what his department is doing that very day in the interests of the public. A few interesting items about the personality and characteristics of the official interviewed are usually inserted for the purpose of humanizing and personalizing the administrative machinery of the state. The central

theme of this program is that the government exists to serve the public and that the public should be advised of the services performed by its government. Inasmuch as certain of the department heads interviewed hold elective offices, this series is discontinued for four weeks prior to elections, lest the party in power derive an unfair advantage from the interviews.

With very few exceptions, the departments and agencies participating in the state capitol visits have been not only coöperative but enthusiastic about the possibilities of this new contact with the public, and several have taken steps to follow up the broadcasts with printed information for those interested in the work of the department.

Another interesting feature of the Wisconsin plan is its series of forum discussions. Although this program has not been so well developed as the campaign broadcasts and the state capitol visits, its purpose is to present both sides of controversial issues which are of general interest throughout the state. Such subjects as state aid to rural schools and a proposed county government reorganization have been presented to the listeners through the forum, representatives of opposing points of view being invited to present their arguments to the radio audience.

Closely related to the forum discussions are two series of broadcasts dealing with taxation in Wisconsin. Both are educational and non-partisan in character, the purpose being to familiarize the public with the forms of taxation employed by the state. One series is conducted by a member of the staff of the economics department of the university and the other by the Wisconsin Taxpayers' Alliance.

GENERAL INFORMATION

Finally, the state broadcasting stations provide a number of informational services to their listeners. The Stevens Point station, operated by the department of agriculture and markets, offers many programs of special interest to the farmers of the state, and WHA draws upon the research laboratories of the university for many features in addition to the information furnished by such agencies as the state conservation commission, the board of health, and the highway commission. Many of these services are made possible because of the close relationship between the stations and other departments of the government and would be difficult to present under a commercial system.

This in brief is the outline of Wisconsin's plan of governmental broadcasting. Many of the features have been admittedly experimental, and much remains to be done in their development, but enough has already been accomplished to indicate the potentialities of such a plan.

At present there are in the United States more than twenty state-owned stations, most of which are operated by state universities and colleges, and four municipalities own and operate their own broadcasting stations. Many of these are doing commendable work in the field of educational and informational broadcasting, but, with a few exceptions (particularly the New York City station, WNYC), nothing comparable to the governmental features of the Wisconsin plan has been developed by the other stations. It is true that financial handicaps and limited facilities will not permit the adoption of a similar program by many publicly owned stations and that few states have as liberal a political tradition as Wisconsin, but it is suggested that the potentialities of the radio as a connecting link between the public and its government offer a challenge both to station

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An Election Episode

The precinct "boss" in action

J. T. SALTER

University of Wisconsin

ONE night shortly after twelve in September, 1933, Spode was sitting in his fast roadster that was parked diagonally across the street from Strong Arm's saloon, and just seven short blocks from the most historic spot in America—Independence Hall. Strong Arm was the big fellow in the division and Spode was his judge of elections. Until this election they had been boon companions, but now Spode's spirit was angered to its very core, for his phlegmatic uncle had not been re-slated for magistrate, and Spode knew it was Strong Arm's work. He was there to tell Strong Arm that he would have to give the uncle a complimentary vote in the division or else Spode, as election judge, would protest at every illegal act that Strong Arm should commit in this coming primary. Spode knew just what these vote-producing actions would be—that was the reason Strong Arm had made him judge. Once Strong Arm had been in Cuba on election day, and this absentee rulership had meant disaster for him as it had done in earlier days for Hynicka in Cincinnati and more recently for Vare in Philadelphia.

The opposition candidate for judge of elections had been chosen; but when this anti-organization judge appeared at the polling place on the morning of the next balloting Strong Arm had said "git", and the duly selected judge "got". Strong Arm had then held a curbstone election. He looked at his boys and asked, "Who do you fellows want for judge?" Spode was chosen by viva-voce vote; from that time until this he has been judge of elections—the key position at the polls—with the law of the Philadelphia charter and the Pennsylvania constitution behind him.

I, too, had called to see Strong Arm but had found him gone, and his man had said, "He got a phone call. He will be right back."

Spode is short, muscular, and dark, he talks softly—as softly as the waters that lap the wooden piles at the docks in his Delaware river—and he looks Italian but he was born in a land too cold for olive trees. I leaned against Spode's fender. The uncle leaned against the car door, and Spode talked. He had often seen me with Strong Arm and he wanted to be sure that I knew what a low, yellow, traitorous cur this politician-racketeer was. From diminuendo to crescendo and back to diminuendo he spoke for more than two hours, but Strong Arm never came. When he was Spode's subject, Spode feelingly called him all the unkind names that a certain type of ward politician most easily thinks of. He catalogued every defect revealed in fourteen years of thuggery. Then he would lower his voice and talk of himself and his sad fall from grace through carry-

ing out the orders of the inexorable Strong Arm. He repeated himself and abruptly stopped in the midst of a sentence; a half hour later he would return, with uncanny precision, to complete it. Reassembled, his story follows:

"Why, I did enough for him to go to jail four times over." And he went on to tell about a Hungarian, who was a Democratic watcher in the 1932 November election and who wanted to observe the counting of the ballots. It was about ten o'clock, the polls had closed, the Hungarian had a legal right to be present—the Democratic party had expected him to be there to watch the count.

"But Strong Arm said that he couldn't stay. He looked at me and said, 'You are the judge, put him out.' I had to use force but I got him out. A minute later he was knifed and slugged right outside the door." Strong Arm has a youth to do this sort of work—Danny, a dope fiend. Danny looks like a college freshman—slender, medium height, with high forehead, hair wetted and carefully parted in the middle, sparkle in his eyes. He has been arrested seventeen times but he has never been in jail. His employer sees to that. Danny works with a black jack and knuckles. Strong Arm buys him for a case of whiskey and a $5.00 bill, or sometimes Strong Arm just gets him a little drunk and buys him a meal and Danny does the slugging.

The injured Hungarian had been taken to the hospital where he remained unconscious for four hours. "We were afraid he was going to die; we called the hospital so often that we were afraid we would give ourselves away. Strong Arm was very excited; he put both hands in his hair and cried again and again, 'They will put this on me; they will blame me for this.' We were all worried inside. The waiting was awful."

"Three of the Hungarian's children walked into the polling place crying, 'We want our father.' We put the children outside and locked the door. Later the Hungarian's wife and all four children pounded on the door and one standing on her toes pressed her face on the window pane—all crying and shouting: 'The murderers are in there.' Strong Arm wilted at this and said to me, 'All right, let them lock me up for homicide.' Then we got word that the man would live, so we went on with the count."

Several times during the telling of his story Spode looked at me with appeal in his eyes. Once he burst out, "Professor, I am ashamed of what I did that night. It wouldn't have been so bad but my father knew that man in Hungary when he was a little boy—just so big." And there Danny stood, as Spode and I talked, just thirty feet away. While I was looking at him he smashed a beer bottle in front of a drug store; he and two companions laughed and continued their talking.

Strong Arm carried that election, and the Hungarian will always carry a scar above one eye. No one was ever arrested because of the attack. The Hungarian, Strong Arm, Spode, and Danny are living in the same neighborhood as in the past, and the police ignored the incident. These two factors tell much about the conditions under which the party process operates in a selected area. DeQuincey's comment about people in Southern Asia comes to mind, "Man is a weed in those regions."

Heidelberg, Germany, has paid no interest or principal on its bonds since 1932 when due. Taxes are 25 per cent delinquent; municipal salaries have been cut up to 30 per cent; and two hundred out of sixteen hundred employees have been discharged.

City Planning For the New Day

Changes in population present new problems and new opportunities

HOWARD K. MENHINICK

Harvard School of City Planning

AMERICA is entering an era of declining population growth. According to Messrs. Warren S. Thompson and P. K. Whelpton,[1] its population may become virtually stationary within two or three decades. From the standpoint of cities, this means that although some of them may grow at a rate more rapid than that of the total population of the country, there will not be enough additional population in the United States to make it possible for many communities to continue to grow at anything like the rate of the past. Cities will be affected in other ways, also, for a slowly growing or stationary population has relatively few children and many older people. The percentage of persons under twenty years of age will probably continue to decline for the next fifty years and, sooner or later, people over sixty years of age will constitute two to three times the proportion of our population that they now do.

Messrs. Thompson and Whelpton indicate some of the probable effects upon cities of these changing population trends. They forecast a cessation of the present constantly increasing intensity of use of land for business and residence, slowness in the rate of recovery from the present slump in urban land values, the necessity of revising city plans based upon an anticipated large future growth, adverse effects upon the building industry unless communities decide to undertake slum abatement or some other public-building program which will lead to the replacement of many out-of-date structures of all kinds, the necessity of setting up other criteria than growth in numbers as a measure of municipal achievement, an easing of the problem of providing the physical equipment of schools, and finally, the necessity of providing more facilities to meet the needs and desires of older people.

If these forecasts are realized (and they seem likely to be) what are some of the problems of cities which will face the planners of tomorrow?

Cities, forced to measure their effectiveness by their quality rather than by their size, will discover that those which prosper are the ones that have made themselves pleasant and convenient places in which to live and work. This will be particularly true if ever-increasing numbers of the population are older people no longer tied to one location by income-producing occupations and therefore free to live wherever life seems most worth living.

The coming changes in population present both new problems and new opportunities for planning. These demands will be just as vital and important as

[1] "Population Trend Foreshadows a New Era." By Warren S. Thompson and P. K. Whelpton. New York *Times*, March 18, 1934, Section 8, p. 1.

has been the necessity of solving the problems of rapid growth, but they are likely to be less immediately arresting and compelling. This means that those who are fostering and encouraging city planning must work harder than ever. There is a real danger that with a lessening of the immediate pressure of the problems of city growth there will be a corresponding lessening of efforts to solve both the remaining and the new problems, so that possible gains may not actually be realized.

SPACIOUSNESS AVAILABLE

It is reasonable to expect that the people of the future will at least understand (as have the planners for some time) that more spacious urban development is possible and highly desirable. For a time many thought that urban population would continue to increase so rapidly that in order to provide living quarters for all the people who might desire to live in cities, it would be necessary to put people into houses crowded upon narrow lots or even to pack them together in tiny cells in apartment houses, which were in turn so closely huddled together that adequate light and air could not be obtained. Many people have now discovered that the promoters' visions of the future great cities were only horrible nightmares which need never materialize. They now know that there is space enough in the city and light and air enough for all. The planning of the future will be planning for greater spaciousness, facilitated by the lower urban land values (inevitable with a slower population growth than had previously been anticipated) and by the decentralization of some types of industry from the large centers to smaller communities or new towns.

If cities have a more slowly increasing population, and consequently not so much internal pressure for change from the less intensive to the more intensive uses of land, city plans of the future can be based on stability of use of property rather than on its ready convertibility. Each section of the city can be planned so that it may serve its particular function best, without the necessity of adapting it to some other possible future function also, and with the provision of a much smaller border or transition zone for later expansion—that unfortunate "twilight" area of a city which is merely marking time while an old use decays and disappears and a new use takes its place. Zoning ordinances can be based upon the accumulated knowledge of the amounts of land actually needed for various urban purposes, rather than upon speculators' hopes. It is likely that city dwellers will at length abandon the sacred belief that frontage on all important thoroughfares is potential business property. When they do reluctantly admit this truth, having already discovered that frontage on major highways is ill-suited for residential purposes, they will realize that unless these main thoroughfares are planned in a new way they will continue to be merely ribbons of slums, as are many of them today. The "freeway", with its central highway separated from abutting property by wide buffer strips heavily planted with trees and shrubs, is a possible solution.

There will probably be less scattering development about the fringes of cities, both because communities can no longer afford to create and to maintain this uneconomic type of urban expansion[2] and because there will no longer be the same rapidly rising land values forcing people to flee from the city. Nor with a more open and spacious type of city development will there any longer be the same necessity for people to seek the

[2]Cf. "Penalties of Excess Subdividing", by Charles D. Clark. *City Planning*, April, 1934, pp. 51-61.

open country as the only place in which light and air and amenities can still be obtained. It may be that scattering development in the future will be prevented by requiring subdividers to demonstrate that their projects are actually needed by the community before they are allowed to proceed.

In the city planning of tomorrow there will perhaps be less emphasis upon the designing of new areas and more upon the replanning of existing portions of cities where utilities and other services, already built, can be preserved and utilized to advantage. From primitive times to the present, man has lived in a place until he has made it a mess. Then he has abandoned his habitation and moved to a new, clean spot. Economic limitations will prevent his doing this in the future. He must clean up and repair his old dwelling places.

INCREASE OF OLDER PEOPLE

These are a few of the changes which may be brought about by a more slowly growing population. What are likely to be some of the effects of an increasing proportion of older people?

With a larger percentage of older people, more susceptible than younger people to disease and accident hazards, citizens of the future will certainly devote more attention than they have in the past to matters of public health and accident prevention. Automobile accident statistics show heavy fatalities among the higher age groups. Building greater safety into highways is already essential but it will become increasingly important as the proportion of older people increases, for both as automobile drivers and as pedestrians they require more effective highway safeguards.

It is probable that available leisure time will increase in the days ahead, especially if older people withdraw from productive enterprises and devote themselves to cultural and recreational activities. This will necessitate an increase in recreation facilities.[3] It is not unreasonable to expect that foot-loose older people will follow the seasons from north to south and in general engage more freely in travel for pleasure, necessitating the provision of more facilities for these purposes.

Cities are almost certain to require a larger number of easily accessible neighborhood rest parks and other facilities for passive recreation and for the observation of others in competition, at work, and at play. Along with this development there is likely to be an ever-increasing movement toward apartment living—for this is the type of accommodation usually desired by older people. If this manner of living is to be made healthful and satisfactory, there will be needed more scientific planning of apartment districts in order fully to develop their inherent advantages and to minimize their disadvantages.

In my opinion, these are a few of the problems of cities which will become of increasing importance as national population becomes stationary and the proportion of older people increases. None of these problems is totally new. All are present today in one form or another but we shall probably be more aware of them tomorrow. Today is none too soon to push forward the groundwork of education, research, and organization necessary for their solution.

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[3]The National Recreation Association reports heavy increases in the number and use of public recreation facilities in 1036 cities of the United States during 1933, due at least in part to unemployment and to increased leisure under the industrial codes.

Reducing School Bills by Consolidation

Reorganization of school attendance units recommended as economy measure

HARRY A. LITTLE *Georgia State College for Women*

A STUDY of the school surveys of 223 counties to determine what effect reorganization of schools has on the cost of the school program reveals that this reorganization program would result in a decrease in expenditures for the same type of school program in 213 of the 223 counties. The detailed results of this study have just been published by the Bureau of Publications, Teachers College, Columbia University.[1]

This study is concerned with the cost factor alone, not evaluating the increased educational advantages which will accrue as a result of the consolidation of schools. It reveals that, measured in weighted elementary classroom units or their equivalent, the reorganization of local school attendance units through the consolidation of schools will result in a decrease in cost in 213 counties and in an increase in cost in ten counties. The mean variation in cost is a decrease of 7.83 per cent of the original cost. If only the rural schools were included in the basal percentage, the mean decrease would be 9.2 per cent.

It is quite evident from the facts given above that it would be to the advantage of all counties to reorganize their local school programs. The small chance which a county would face of increasing its educational cost as a result of reorganization would be more than offset by the improvement in the educational offerings. At the same time it must be remembered that the contention that problems of educational finance would be solved by reorganization is not true. The total bill for rural education in the United States is approximately $600,000,000. If the entire rural school area were reorganized, the decrease in cost would be approximately $55,000,000—a very small amount scattered all over the United States. The increase in the efficiency of the schools when coupled with the decrease in cost would more than justify any effort to reorganize the schools according to modern needs and utilizing modern highway facilities.

The schools of the 223 counties studied as they are now organized cost in teaching units 1.36 times as much as they would cost if the same pupils were enrolled in school systems in which no elementary school had less than 290 pupils in average daily attendance and in which no high school had less than 726 pupils in average daily attendance, and where no transportation was required. If these schools were reorganized according to the plans outlined in the surveys studied, the cost would be 1.25 times the proportional cost of larger schools.

It is not to be denied that the consolidation of schools makes possible op-

[1]Little, Harry A. *Potential Economies in the Reorganization of Local School Attendance Units.* Bureau of Publications, Teachers College, Columbia University, New York, N. Y. (In press.)

portunities for better educational advantages which, if utilized, may increase the cost of the educational program. The better buildings required to put into effect the reorganization proposed in the surveys of these counties would result in additional cost, on the average, of 3.8 per cent of the original cost of all schools of the county for a period of thirty years. This would mean that until the buildings are paid for, the average decrease in cost would be approximately 4 per cent.

Three factors seem to affect the variation in cost resulting from consolidation.

(1) The amount of consolidation which previous reorganization, natural barriers, community prejudice, or other limiting factors will permit. If the schools of a county have already been consolidated, it is natural to suppose that further consolidation will result in a smaller proportional decrease in cost than in counties where no consolidation has been made.

(2) The density of population also determines the amount of economy to be gained from the consolidation of schools. Counties which are densely populated have a greater possibility of large consolidation than sparsely populated counties.

(3) The number of children per school. This is, in a sense, a measure of the consolidation which has already been effected in the county. Small schools require a larger number of teachers for the same number of pupils than do larger schools. If the schools are already large in number of pupils per school, a smaller decrease in cost is to be expected from reorganization than if the schools were small in number of pupils.

It seems quite evident that county school authorities all over the United States should take steps to reorganize their schools so that modern educational programs could be offered for the least possible amount of money. The county surveys which were used as a basis for this study are excellent examples of educational programs which have included the entire county and which were made with the purpose above in mind.

Some authorities have contended that the reorganization of schools, although offering better school advantages, would be prohibitive in cost. The results of the study mentioned above indicate that this is not the case.

WISCONSIN'S BROADCASTING SYSTEM

(Continued from Page 458)

officials and to students of government. President Roosevelt has ably demonstrated the effectiveness of the radio in directing public opinion, and it would appear that publicly owned stations should be the first to develop this new relationship between officials and the listening public. Administrators have long concerned themselves with the problem of perfecting a system of public reporting which will distribute information to a large and interested audience. What better instrument could be devised for this purpose than a broadcasting station operated by the government and coöperating with the other departments and agencies in the presentation of programs dealing with subjects of public interest? It is a foregone conclusion that coming campaigns will find more and more attention being devoted to appeals to the radio audience, and, since party programs over private stations are charged commercial rates, the prospects for minority groups in future campaigns are not very bright unless some plan similar to Wisconsin's is developed to provide free and equal time on the air. Much remains to be done before the potentialities of the radio are fully realized. Wisconsin has opened up one new field of public service, and it is to be hoped that she may not long remain alone in its development.

The Problem of Special Assessments[1]

Wise management and accurate accounting needed for successful operation of assessment funds

ROBERT PHILLIP HACKETT *University of Illinois*

In the past few years, particularly from 1930 through 1933, there has come to our attention the deplorable condition into which the special assessment funds of many cities have fallen. It is only natural that these years should bring to light this situation. In times of prosperity it is not too difficult for average management to be successful. Many individual businesses have failed during the depression because of poor management. In like manner, the failure of many special assessment funds to show proper results has been due to faulty management, both in prosperous and poor periods.

A special assessment fund is one in which is recorded the transactions concerning a public improvement, the cost of which is assessable to the individuals benefited.

The instigation of a movement for a new improvement may arise in either of two ways. A group of individuals who are interested in a certain improvement may petition for it, or the board of local improvements may assume the need for a certain improvement exists and start action themselves. The board of local improvements is usually an ex-officio committee composed of the mayor, the city engineer, and the superintendent or commissioner of streets. The city attorney is usually an advisory, but not a voting, member of the board. This board is either indirectly, under the first method indicated above, or directly, under the second method, responsible for the instigation of the movement for any new improvement. In either case the board of local improvements makes a preliminary investigation and then calls a public hearing notifying all individuals who will be affected by the improvement. At this hearing the plan is laid before those present and arguments pro and con are heard. The board will usually cause a petition to be circulated among those property owners affected in order to get the general consensus of opinion which will later substantiate its argument for or against the improvement.

After this hearing, if the board is still of the opinion that the improvement is desirable, it makes estimates of costs, and presents the entire general plan, with all the collected evidence, to the city council. The council, after being appraised of all facts which it desires, votes upon the issue. If the council approves the plan, it reverts to the board of local improvements. The engineer, as a member of the board, then allocates the estimated cost to the individual property owners. This allocation is based, in general, upon the footage of property facing upon the im-

[1]The detailed procedure in this article applies in particular to Illinois, but will be true, in general, in all cases.

provement, with attention being paid to benefits derived.

At this point the entire plan, along with the proposed individual assessments, is presented to the county judge. This court reviews the facts and calls a public hearing which affects the same persons earlier involved. Upon the basis of this hearing the court has two decisions to make. First, is the improvement, as such, advisable, and, second, has the cost been equitably distributed. Many times this hearing assumes a very animated situation, with attorneys being employed by the opposing sides in the debate. The court may negate the entire plan; it may approve the improvement, but indicate a blanket change in the allottment of costs; or it may, upon approving the matter, make only certain changes in the assessment of costs. If and when approved by the court, the plan is returned to the board of local improvements. The board then lists the specifications for the job and calls for closed bids on the entire improvement. At the dead line date the bids are opened and the contract is awarded to the lowest responsible bidder.

FINANCING AN IMPROVEMENT

The actual completion of most public improvements takes place within a few months, at the most, after the awarding of the contract. This means that in the great majority of cases, the contractor must be paid within a year after the project has been started. On the other hand, it is not usually considered desirable, nor is it always possible, to collect the entire assessment from the benefited property owners in this short period of time. These two facts make the financing more of a problem than it might be otherwise.

A very common financing plan takes the following form. In order to make payment to the contractor, bonds are issued. In some cases the contractor may accept these bonds, holding them if possible, while in other cases the bonds are sold, the proceeds being used to pay the contractor in cash. The bonds are usually issued in series to coincide with the assessment payments to be described. Ten-year series are very common. The assessments are then spread over a period equal to the number of bond payment periods. Theoretically as far as the bond principal is concerned, the assessment payments should cover these, plus miscellaneous payments exactly, at each payment date. The bonds, of course, bear interest. To counter-balance this bond interest the assessments also bear interest at the same rate. Again, theoretically, the interest on the assessments will equal the interest which must be paid on the bonds. A due date is set for the first payment on the assessments, and the other payment dates follow annually.

A taxpayer may avoid all interest by paying his entire assessment on or before the first due date. If he does not follow this procedure, however, he is charged with interest under one of two different methods. Under one method, the so-called short end method, the taxpayer pays his assessment for one year with interest on that single payment for the length of time that it has run from the beginning of the entire assessment period. Under the other method, the long end method, the taxpayer pays one installment on his assessment with interest on the unpaid balance for the length of time which has expired since the last payment was made. If the payments are made regularly the total amounts of interest will be the same under both methods. The advantage is with the taxpayer under the short end method, for he pays less interest in the early periods and more in the later periods. Conversely, the advantage is with the municipality in the long end

method. Theoretically, then, the assessment fund should have no balance after all bonds and interest have been paid, on the one hand, and after all assessments and interest have been paid on the other.

GOOD MANAGEMENT NECESSARY

Just as prosperity has its effect upon management in private business, it has its effect on public improvements. Individuals may petition the board of local improvements for an improvement of some type in a certain locality. They have seen property values rising and are led away by this fact. An improvement is desired by them to further enhance that property value. Perhaps in such a period considered alone, the property values do justify the increased cost of such property that the assessments will incur. The property owners forget, however, that experience has shown us that just as sure as property values have risen in times of prosperity, they will fall in times of depression. It is not uncommon to see property which has been sold at excessive prices at one time, fall to such a level at another time that it cannot be sold for enough to pay the improvement assessments. It is often thought that a municipality will have no difficulty in collecting special assessments, because if they are not paid the property can be sold for taxes. This is not true. The right exists, directly or indirectly, but it must be remembered that the municipality is not interested in owning property. It is interested in collecting assessments so that bonds and interest can be paid. From the point of view of the assessment fund the property is of no value unless it can be sold, so that cash can be realized. It has not been at all uncommon in the past few years for municipalities to temporarily withdraw the special assessment taxes so that they will not have to take over property.

Both in approving petitions of property owners, and in instigating improvements, the board of local improvements has been influenced by prosperity property values. City councils have been affected in the same way, and it is undoubtedly true that county courts have approved improvements in periods of prosperity which they would consider as dubious in depression periods. Good managers of private business do not over-expand in good periods, and thereby protect themselves for the certain periods that will be less prosperous. Municipal management of public improvements should be no exception to this rule. Property owners, board of local improvements, city council, and county judge are all directly or indirectly responsible for the management in this preliminary initiation of the improvement. Every new public improvement should be carefully and sanely considered in the light of experience, as to whether depression property values will support special assessments.

There is another element that sometimes has an undue influence in this preliminary work on public improvements. In many cases certain individuals receive compensation on a percentage basis for work that they may do in relation to the improvement. This is true of the city engineer and the city attorney. These two individuals do most of the preliminary detailed work on the improvement, and most certainly should be paid for this work. It is far from the intention here to give the impression that these persons are overpaid for what they do. Their work is technical and requires specialized training. They are undoubtedly entitled to all the compensation which they may receive in a great majority of the cases involved. The point under consideration is that since the only manner in which they may receive such compen-

sation necessitates the contracting for public improvements, they may be influenced, perhaps honestly so, in approving and instigating improvements.

After the machinery of an assessment fund has been put into motion less of the management element is involved, but that which is necessary must be carefully executed. It has been indicated earlier that, theoretically, the assessment payments will take care of the bond payments, and that interest on assessments will take care of interest on bonds. Frequently, however, taxpayers will pay several or all assessment installments in advance, thereby avoiding all interest payments. Depending upon the extent to which this may occur in any particular assessment fund, will the interest on assessments fail to meet the interest on the bonds. If nothing is done to care for this difference, it can readily be seen that the fund will show a deficit at its completion. In many actual cases this is exactly what happens, and nothing is done about it. It is an opportunity for good financial management which is often neglected.

The reason for the failure at this point may be due to ignorance of the facts, or it may be due to the lack of making any one responsible for avoiding the situation. The remedy is almost as simple from a practical standpoint as it is theoretically. All bonds should be made callable. When and if assessments are paid in advance, bonds should be called. Thus, as taxpayers avoid their interest by paying assessments in advance, so will the city avoid interest on bonds by paying them in advance. The assessments must be made large enough to care for differences which will necessarily arise in interest amounts, due to the fact that prepaid assessments may not take up exact bond amounts. In a recent audit made of a certain city's special assessment funds, in order to determine why a large number of them had deficits, it was decided that one of the major causes was that being discussed here. Large amounts of interest had been lost simply because cash was allowed to lie idle instead of being used to call bonds. Frequent reports should be made to some person or committee who is made responsible for the wisest use of surplus cash amounts in every assessment fund. The report should show total assessment, amount collected to date, balance outstanding, interest collected, cash in fund, bonds issued, bonds paid, interest paid, bonds outstanding, interest outstanding, expected collections at next assessment payment date, and requirements for the bond and interest payment date.

Too much emphasis cannot be placed upon the importance of a completely and adequately kept general ledger, with separate accounts for each assessment. The status of each assessment will then be readily available at all times for the persons responsible for the adequate handling of the financing. Such information will be invaluable in avoiding the difficulties already indicated.

The following balance sheets indicate the essential information that might be obtained regarding a single assessment.

BALANCE SHEET, DECEMBER 31, 19—[2]

X Street Pavement
(While improvement is in progress)

1.	Cash	$15,500
2.	Bonds authorized and unissued	18,000
3.	Reimbursable Expenditures	5,000
4.	Available authorization	31,000
		$69,500
5.	Vouchers Payable	$2,000
6.	Bonds Payable	36,000
7.	Encumbrances	30,000
8.	Unencumbered balance	1,500
		$69,500

BALANCE SHEET, DECEMBER 31, 19—

X Street Pavement
(After work is completed)

9.	Cash	$ 2,260
10.	Assessments receivable	29,030

[2]These balance sheets are adapted from Introduction to Governmental Accounting, Lloyd Morey. 1932. p. 142-143.

11.	Public Benefit	2,500
		$33,790
12.	Bonds Payable	$32,400
13.	Interest	730
14.	Surplus	660
		$33,790

Comments on balance sheet items:[3]

Items 1 and 9 represent the cash on hand.

Item 2 represents, as its title indicates, the bonds that have been authorized, but which are not yet issued.

Item 3 represents the amount that has been expended on the improvement, which amount is to be assessed against the property owners and the city.

Item 4 represents the amount that is still available for expenditure on the improvement, according to the original authorization.

Item 5 represents the vouchers outstanding for miscellaneous expenditures.

Items 6 and 12 represent the bonds outstanding after they have been adjusted by any unissued amounts.

Item 7 shows the amount for which contracts have been let, which have not yet been liquidated.

Item 8 shows the free balance in the fund which has not been encumbered by contracts.

Item 10 indicates the amounts assessed against property owners which have not yet been paid.

Item 11 represents the amount assessed against the city which has not yet been paid.

Item 13 shows the net interest, that is, the difference between the interest paid on bonds and that collected on assessments.

Item 14 shows the difference between the resources and obligations of the fund.

It should be noted that the accounts for each improvement should be kept separate. It is necessary for proper administration that the condition of each improvement fund be known. It is proper for the general reports of the city to show a consolidated statement of the condition of the collective assessment funds, but the accounts should be so arranged that periodic balance sheets of each improvement fund may be prepared. The consolidated statement gives the casual observer enough information, perhaps, but the persons responsible for the control and financing of the special assessments need the detailed information relating to each improvement, hence the accounts should be so arranged. Separate balance sheets should be set up for each fund first, and then consolidated if desired.

It must be noted that the subsidiary and auxiliary records are of the utmost importance. A properly constructed assessments receivable record showing the total assessment for each property, with a record of the payments of principal and interest, is absolutely necessary. The bond register for recording bonds issued and paid, and interest paid, is essential also. Receipts and vouchers or checks will also play their part as the basis for entries.

After all assessments have been collected and all bonds have been paid the theoretical result is that all accounts will be in balance. As a matter of fact there will be some practical differences. With proper management there will be a small amount of cash on hand. This balance logically belongs to the taxpayers, but it may be so small that the expense of refunding it would be out of proportion to the amount to be refunded. With proper action it may be used to take up small deficits in other special assessments.

Let it be said in conclusion, that regardless of how perfect an accounting system may have been set up, the results still depend upon good management. If the property owners, the board of local improvements, the city council, and the county judge are influenced by periods of prosperity; if the city engineers and city attorney are influenced by percentage compensation; and if the funds are not carefully watched for interest savings, the best accounting system will not improve results. Two things are necessary for the proper and successful operation of any assessment fund, neither of which will be of the most value without the other—a good accounting system and wise management.

[3]An outline of journal entries which will give rise to the accounts shown in the foregoing balance sheets may be found in Governmental Accounting and Manual of Municipal Accounting, both by Lloyd Morey.

Economic Recovery and the Public Employee

Public employees first to suffer and last to benefit by changing level in the cost of living

DENZEL C. CLINE

Princeton University

THERE is a general inclination to think of public employees merely as jobholders and to forget that they are also consumers. The tendency is to consider only the number of dollars they receive in salaries and wages and to overlook how much these dollars will buy. Real income, which is more important, consists of the goods and services obtained from the expenditure of monetary income. Real incomes are affected when changes in the cost of living are not compensated by changes in the amount of monetary income received. When the general level of commodity prices rises, nearly always the wages of labor rise more slowly. This lag is especially conspicuous in the salaries of public employees. At the present time it is probable that there will be a further increase in the cost of living. A rise in prices can result from (1) a gradual return of prosperity, (2) inflation, and (3) the operation of certain features of the national industrial recovery program. Each of these will be analyzed with regard to its probable effect on the real incomes of public employees. All teachers paid from public funds are included as public employees.

Suppose, first, that there is a gradual recovery from the depression. Usually a depression is ushered in with a fall in prices and a recovery is accompanied with a rise in prices. This rise in prices means an increase in the cost of living above what it had been during the depression. A business depression causes unemployment and reductions in wages, whereas recovery increases the amount of employment and eventually leads to higher wages. This sequence of events in industry is also true of governmental employment but the reaction both to rising and to falling prices is more sluggish.

Because the salaries of public employees did not decline after 1929 as rapidly as the cost of living, this class of workers gained in real income, at least in the earlier part of the depression. However, as governmental revenues dwindled with the shrinkage in the national income, in most places salaries were reduced and/or many public employees were released from service entirely or put upon a part time basis. In numerous localities there have been payless pay-days with salaries and wages sometimes in arrears for several months. But a considerable portion of those public servants who retained their positions and were paid promptly continued to receive higher real wages during the depression. According to the index of the National Industrial Conference Board, the cost of living in the United States declined 28.5 per cent from 1929 to April 1933. Since that time it has risen, but in January 1934 it was still 22.5 per cent lower than the monthly average for 1929. In most parts of the

country, therefore, a public employee who was paid 20 per cent less total salary in 1933 than in 1929, still received at least as much purchasing power as before the depression.

A comprehensive study is necessary to establish the fact, but it is probable that the annual compensation of most public employees has not been reduced more than 20 per cent. During 1933 the salaries of federal employees were cut 15 per cent. The salaries of most state employees in New Jersey have been reduced from one to ten per cent, depending upon the size of the salary. A recent study covering five thousand county and municipal employees in the same state revealed that 50 per cent had received salary reductions from 1930 to 1933 of 12 per cent or less, 35 per cent had reductions of 20 per cent or more, and only 4.5 per cent had sustained cuts of 21 per cent or more.[1] However, in many localities, especially in the south and west, the annual salaries actually received by school teachers and other public employees have been reduced as much as a third or more. In addition, thousands have been eliminated from public pay-rolls or have been placed on a part-time basis. In general there has been a moratorium on promotions, especially if they involved salary increases.

In spite of the fact that the return of prosperity means a rise in the cost of living, public employees in common with all other groups of workers welcome economic recovery. A more prosperous condition of industry and agriculture will mean larger incomes and this in turn will enable people to pay more taxes with less strain. With no increase in tax rates, and without the imposition of additional taxes, the rise in the national income accompanying prosperity automatically would swell governmental revenues to a marked degree. This would put a stop to further salary cuts and dismissals and would permit the re-employment of many of those who have been laid off during the depression because of lack of funds.

Public employees also welcome the return of prosperity because they confidently expect that their salaries will be raised, at least to the 1929 level. If this should occur and at the same time there should be only a moderate rise in the cost of living, they would suffer no loss, and might even gain in real income. But this anticipated rise in salaries by no means will be automatic. On the contrary, there is strong reason to suspect that the 1929 level can be regained only with the greatest effort, if at all, by a large portion of the public employees who have sustained reductions. Their sanguine hopes must be tempered with due consideration for the facts. One of these inconvenient facts is that the taxpayers are now class conscious and organized to a degree never known before in this country. It is estimated that there are over three thousand taxpayers' organizations in the United States, most of them having had their birth during this depression. The people may cease to be tax conscious when their incomes once more make their tax burdens relatively light. Al-

[1] New Jersey State Taxpayers' Association, *Taxegram*, March 5, 1934.

Since the writing of this paper (March 1934) at least two studies on the salaries of public employees have appeared: "Municipal Salary Cuts and Restorations," *Public Management*, April 1934; Frank K. Shuttleworth, "The Dollar and Real Incomes of Teachers, 1889-90 to 1933-34," *School and Society*, May 26, 1934. Replies to a questionnaire from *Public Management* by 52 cities with a population of 100,000 or more and by 158 smaller cities showed that salaries had not been reduced in nine cities, but that the reductions ranged from 5 per cent to as high as 50 per cent in the others. The average reduction since January 1, 1930, of the 210 cities reporting was 17 per cent. In his study of the salaries of public school teachers, Professor Shuttleworth found that the real incomes of teachers' salaries rose 13.8 per cent in the three depression years following 1928-29. However, from the school year 1931-32 to 1933-34 the real incomes of teachers have been cut 30.2 per cent.

though in the past Americans have seemed singularly immune from profiting by their economic mistakes, it is possible that this depression will cause them to take a more permanent interest in their government. If they do, it is reasonable to believe that they will attempt to reduce taxes and resist salary increases to their servants. However, low salaries may not mean true economy. As prosperity is restored in business, there will be a steady drain of the better employees away from the public service into private enterprise if their salaries are relatively low. The resulting reduction in efficiency in the public service could easily mean an actual increase in the real cost of government. This fact must be shown to the taxpayers if they insist upon a low salary policy.

PUBLIC DEBT

Another fact which cannot be overlooked by public employees expecting 1929 salaries is the effect of the enormous increase in public indebtedness. The federal debt has increased from 16.2 billion dollars on June 30, 1930, to 25.2 billion dollars on February 15, 1934. In his budget message of January 4 President Roosevelt estimated that the federal debt would be about 31.8 billion dollars by June 30, 1935, as a result of his proposed fiscal program. In spite of economies and increased taxation, the federal debt may be doubled during this depression. Foreign governments owe the United States some 11.5 billion dollars which if repaid would wipe out nearly half of the present federal debt. But each year the prospect of the repayment of these war debts grows more dim. To the extent that they are not paid, American taxpayers will be forced to bear a larger burden for debt service.

In 1933 the volume of state and local debts had risen to 19.7 billion dollars and this total may be considerably larger before the depression is over. Many of those states and municipalities whose credit is still good are continuing to borrow for unemployment relief and emergency public works programs. At the beginning of 1934, 1,728 local governmental units and one state government had defaulted on their bond obligations.[2] These defaults represent slightly less than one per cent of the total number of governmental units which have debt-incurring power, but they have affected the credit of many other local governments. Numerous municipalities, both large and small, have experienced "banker control" over their budgets during the depression. Salary reductions frequently have been required as a condition for the extension of credit.

What is the meaning to public employees of the staggering amount of public debt which this country will have when it emerges from the depression? It means that future budgets, federal, state, and local, will be loaded heavily with fixed charges in the form of debt service and that a smaller proportion of public revenues will be left for the payment of salaries. At the beginning of the depression when the amount of public debt was much less, 18 per cent of the total taxes collected in the United States was used to pay interest on debt and the repayment of principal. It is not unlikely that as much as a quarter of the total annual tax revenue will be needed for debt service for many years in the future.

There is the possibility that certain additional claims will be made on public funds. For example, in federal finance there is the perennial question of the bonus to war veterans. Even the serious condition of the treasury is not deterring attempts by members of Congress to lure veterans' votes with the

[2]As reported to the *Bond Buyer, Municipal Finance*, February 1934, p. 13.

taxpayers' money. Also it appears that taxpayers are to enjoy the luxury of supporting a bigger navy and army. The Vinson navy bill already seems to have started another mad race of competitive armament building. If a large part of the federal revenues must be used for soldiers' pensions and a big navy, there will be less for more socially useful services.

Despite the enormous deficit in the budget, salaries of federal employees will soon be raised to their former level, or at least partially restored. The federal government is paying for a large part of its expenditures by increasing the debt. In effect, sufficient funds may be made available to increase salaries by additional borrowing. But this device offers little hope to state and local employees. It is unlikely that additional state and local debt will be incurred in order to provide an increase in salaries. In general, salary increases must await a material increase in current revenues.

LIQUOR REVENUE POSSIBILITIES

Great expectations have been held concerning the revenue possibilities in taxing liquor. There is a strong possibility that many of the early high estimates of the amount of revenue to be obtained from this source will prove to be unwarranted. If the taxes on liquor are too high it is inevitable that they will to a large extent defeat their purpose by stimulating illicit traffic. If moderate rates are used, the liquor taxes should produce a fairly large revenue, but this does not mean necessarily a bonanza to public employees in the form of salary increases. As already pointed out, vast sums will be required for debt service for several years. In addition, as public revenues are augmented by taxes on alcoholic beverages, there will be a demand for a reduction in the rates of other taxes and even for the elimination of some. Already four federal taxes have been dropped with the introduction of the tax on liquor.

The conclusion must be that in the event of a gradual return of prosperity and a normal business recovery as from previous depressions, public employees will gain in economic security and more of them will be employed. State and local employees, especially those who have had severe salary reductions, are likely to lose in real income because the cost of living probably will rise more rapidly than salaries and in many cases will not be compensated by salary increases for some time.

The depression has had the effect of stimulating the movement for reorganization in government. Taxpayers are becoming more aware of the fact that a large part of their burden is due to the existence of hundreds of unnecessary local governmental units and their political officials. This is leading to the demand for the organization of local government into larger and more economical units, a reallocation of functions between the state and its local subdivisions, and a greater use of the merit system. These changes, if made, will mean fewer names on public pay-rolls due to the elimination of unnecessary local officials and a large amount of political patronage. On the other hand, if the civil service is extended, there should be an increased demand for trained and qualified persons in the classified service.

INFLATION

For many months there has been an unending discussion of inflation. If the manipulation of the currency by the government results in a marked increase in the price level, public employees will be faced with a much greater reduction of their real incomes. Since the official devaluation of the dollar to approximately six-tenths of its former gold content, there has been

somewhat less apprehension of inflation. There seems to be a general feeling that "the country is back on the gold standard again" and therefore is safe from a disastrous rise in prices. But even though there is no further tinkering with the currency there is still a possibility of serious inflation. In addition to the rise in prices which could result from devaluing the dollar, attention should be called to the inflation possibilities in the great amount of excess reserves of member banks in the Federal Reserve System and the recent large importations of gold. If bank credit were extended on the present gold supply to the full extent now legally possible, a very severe inflation would result. Such a high degree of credit expansion will not necessarily occur. But there is a strong probability that eventually there will be a material rise in the price level as a result of the devaluation of the dollar and the expansion of credit. If so, public employees may expect a greater reduction in their real income than would result from a more normal recovery.

The effect of inflation during the World War on governmental employees in this country should be recalled. The average salaries, in money, of governmental employees in Washington, D. C., and the public school teachers of the state of New York increased slightly more than a third from 1914 to 1920. Despite this fact, the average *real* income of each of these groups actually declined 36 per cent in this period because of the increase in the cost of living.[3] This is indicative of what happened to the real incomes of public employees throughout the country.

A severe inflation not only reduces the purchasing power of salaries but also impairs the savings of public employees. The purchasing power of both the income and principal of fixed income investments, such as bonds, mortgages, and saving accounts, falls with a rise in the price level. The purchasing power of life insurance policies and annuities also diminishes with inflation. On the other hand, savings invested in real estate and good corporation stocks would tend to be more secure because the income from such investments would be likely to rise during inflation. Public employees who entered the depression owing mortgages and other debts suffered an increase in the real burden of their debts when the price level fell and their compensation was reduced. Provided their salaries are raised to compensate for the increase in the cost of living, public employees owing debts would have the real burden of their debts reduced by inflation. But public employees as a class have much more to lose than they can gain from a severe inflation. The extent of their loss depends upon how far prices would rise and the degree that they would not be compensated by increases in salaries.

Another danger of a high degree of inflation is the possibility of impairing public credit. If the price level is rising rapidly investors will not be interested in buying government bonds which yield a fixed monetary income. Also at such a time there may be an increasing disparity between tax yields and expenditures as occurred in certain countries in Europe after the war. If bonds cannot be sold, paper money is likely to be issued and a vicious spiral of inflation ensues. The effect upon governmental employees of a collapse of public credit should be obvious.

The use of inflationary measures is one way of attempting to raise prices artificially by governmental action with the hope of promoting prosperity. An-

[3] Computed from figures taken from G. F. Warren and F. A. Pearson, *Prices*, pp. 213, 217. Professor F. K. Shuttleworth discovered that the average reduction in the real income of public school teachers in the United States during the war period was 21.8 per cent. *School and Society*, May 26, 1934.

other method is also being tried in this country as part of the "new deal" program in the form of the agricultural adjustment administration and the national recovery administration. This depression has not been allowed to run its course through liquidations and the readjustment of prices to a new equilibrium as in previous depressions. When economic recovery occurs, it may be because of, or in spite of, governmental action, or neither. But while the AAA and NRA are in effect they have certain features which tend to raise the cost of living to a greater degree than would result from an economic recovery unassisted by governmental action.

The agricultural adjustment act authorizes the secretary of agriculture to impose processing taxes on various agricultural products for the purpose of paying bounties or subsidies to farmers to induce them to reduce production. The reason for this has been the unusually low prices received by farmers for their products. It is the avowed purpose of the processing taxes and other aspects of the farm relief program to restore agricultural prices to their pre-war parity with the prices of manufactured goods. Farm prices should be raised by eliminating poor land from use rather than by the uneconomic method of paying subsidies to hold good land out of production. However, there is as much (or as little) justification for a subsidy to farmers from processing taxes to be paid by consumers in the form of higher prices as there is for a subsidy to industry in the form of a protective tariff. Both increase the cost of living and reduce the real income of public employees.

One of the most conspicuous parts of President Roosevelt's recovery program is the national industrial recovery act. In the words of the President, the purpose of this act was to restore industry to a living basis and to put men back to work. Under this act industrial recovery was to be accomplished in a novel manner. Employers were asked to increase the employment and wages of labor before it became profitable to do so, in order to increase the national purchasing power.

The national industrial recovery act, by legalizing certain activities of trade associations and suspending the anti-trust laws may further stimulate the growth of monopoly power and thus cause a greater increase in the prices of goods to consumers than normally would result from recovery. Adam Smith astutely observed long ago, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." To the extent that the national industrial recovery act fosters monopoly prices, public employees as well as other consumers will suffer an additional increase in their cost of living.

To summarize, it has been shown that public employees will have greater security and more employment after economic recovery is achieved but that many of those now employed will lose in real income because the cost of living is likely to advance more rapidly than salaries. If a marked inflation occurs it will cause an even greater reduction in their real incomes, depending upon the rapidity and extent of the rise of prices. Finally, it was suggested that the agricultural processing taxes and a growth of monopoly power as a result of the NRA can cause higher prices of many commodities than would occur in an unassisted recovery, thus increasing the cost of living of public employees without necessarily raising their salaries.

NEWS OF THE MONTH

NOTES AND EVENTS
Edited by H. M. Olmsted

New Charter Commission Authorized for New York City.—The resignation on August 2 of Chairman Alfred E. Smith and Judge Samuel Seabury, followed thereafter by four others, from the New York City charter revision commission of twenty-eight, which had been established by statute earlier in the year, brought about a movement for a new commission to be appointed by the mayor, and on August 15, at the urging of Governor Lehman, the legislature unanimously passed a bill authorizing the mayor of New York City to appoint a commission of nine to draft a charter for submission to the electorate of the city next year. Mayor F. H. LaGuardia has indicated his desire for a commission representative of a reasonably unified viewpoint.

After Mr. Smith's departure the old commission selected as its head Richard S. Childs, chairman of the council of the National Municipal League, and attempted to carry on, only to be superseded by the new body.

The old commission was not empowered to deal drastically with the structure of county government as affecting New York City, but it is expected that the new commission may join in a movement to obtain a constitutional amendment permitting such action.

The possibilities as to proportional representation under the new commission are discussed in the note by George H. Hallett, Jr., on page 485.

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Mount Vernon, N. Y., to Vote on Council-Manager Plan.—On September 12, 1934, the city of Mount Vernon, N. Y. (65,000 population), will have decided by popular vote whether or not to adopt the council-manager form of municipal government. Acting in accordance with provisions of the New York State optional city government law of 1914, the "Committee of 100", organized by public-spirited citizens to promote adoption of the plan, recently presented to the aldermen of the city a petition of some 2,300 names of qualified voters asking that "Plan C" (the city manager option provided in the state law) be submitted to the electorate.

The petition, complying with provisions of the law requiring signatures of at least 10 per cent of the voters of a city, made mandatory the setting of a date by the local council for the election. A lively campaign for success at the polls on September 12 is now being conducted by the committee.

For over a year the Mount Vernon Citizens' Union has publicly advocated adoption of the city-manager plan. Under its auspices the "Committee of 100" has been organized. The two organizations have utilized the local press and have held mass meetings at which various experts in municipal government have addressed good sized audiences. Among these experts were C. A. Harrell, city manager of Binghamton, N. Y., and George H. Hallett, Jr., now secretary of the Citizens' Union of New York.

Tax collections have been difficult and financial obligations heavy, and the city government recently resorted to a very unpopular supplementary property tax, due in August, to a special tax lien sales ordinance, and to a million-dollar loan.

A. A. Tenney

American Cities to Profit from Experience of European Housing Experts.—An American tour by three European housing experts has been arranged by the National Association of Housing Officials, to give American housing leaders the benefit of specific suggestions made in the light of the extensive housing experience of western European countries.

Sir Raymond Unwin, technical advisor to the Greater London Regional Planning Committee, heads the group, the others being Ernest Kahn, formerly manager of the municipal housing enterprises of Frankfurt-am-Main, Germany, and Miss A. J. Samuel, member of the council of the Society of Women Housing Estate Managers of Great Britain.

Twelve out of thirty-six American cities engaged in working out public housing programs have been selected as observation stops on the tour, extending from Boston to New Orleans. It began August 20 and will last six weeks. Officials and representatives of the other cities will attend group conferences in these key cities and submit their local housing problems to the housing experts.

*

Georgia Cities Organize Association.—The recent formation of the Georgia Mayors' Association makes Georgia the thirty-third state where cities have come together in an organization for mutual assistance on governmental problems. Membership in the Georgia organization is by cities as corporations, rather than by individual officials. James L. Key, mayor of Atlanta, is the president, and J. C. Robinson, also of Atlanta, is secretary.

*

Two Massachusetts Cities Survey Public Works Departments. — Springfield and Worcester, Massachusetts, have secured the assistance of Public Administration Service, of Chicago, to make surveys of their public works departments and install new accounting procedures. This consultant organization on municipal problems recently set up eastern headquarters in Boston.

An accounting record for centralized maintenance of public works equipment and a central stores system are being set up in Springfield. Records and cost accounts of public works will in the future furnish city officials with periodic information showing their accomplishments. This will provide a method of direct control in the public works activities.

Worcester's survey, which is just starting, includes the departments of streets, sewers, buildings, water and engineering, and garbage collection and incineration services.

*

Conference on Municipal Finance.—The annual Conference of the Municipal Finance Officers' Association is to be held in Philadelphia on September 17, 18, and 19. A program of discussions to give effective aid to officials faced with difficult current problems is in preparation.

*

Long Beach Recalls Its Council.—The entire city council of Long Beach, California, was recalled on July 10, but as there is no provision in the city charter for the recall of the entire group, it continued to serve, supposedly as a "de facto" body, until such time as its successors were elected and qualified. An election was expected to be held on August 17 and 168 contestants filed petitions for nomination. The council at first, however, refused to call the election, stating that it would contest any attempt to oust it by a suit to show that the recall was illegal. Despite the fact that duplicate recalls were filed by proponents of the two factions, both seeking power and majority, and that council members worked openly for the recall of their opposition councilmen, they later presented a solid front to the threatened encroachment by outsiders. Eventually, the matter of a test case was dropped, it being the consensus of opinion that although there was ample evidence of signatures being bought and paid for, the recall election was the voice of the people, and the council made provision for an election at the time planned. Under the terms of the Long Beach city charter a recalled councilman cannot succeed himself. The members just elected, therefore, are an entirely new group. All but one of the newly chosen councilmen were backed by a new party called the Charter Enforcement Party and also by the editor of both local dailies. Carl Fletcher, labor leader, has been elected by the council as mayor.

SARAH ALLEN

Relief Administration in South Carolina Studied.—A study of the administration of relief in South Carolina, requested by the state emergency relief administrator, was made during five weeks in July and August by four staff members of the Federal Emergency Relief Administration in coöperation with Alan Johnstone, southeastern field representative.

As soon as the results of the five-weeks' fact-gathering have been analyzed, a report will be submitted to Aubrey Williams, acting federal emergency relief administrator. It will cover six major points of relief administration in the state: the standard of relief, the type of personnel employed in its administration, whether the work relief program is suited to relief needs, the rural rehabilitation program, the transient relief program, and the relation of the relief program to industrial strikes. These phases of relief were examined by intensive study of numerous counties typical of the state and of the relief problems being handled.

A similar survey of relief administration in Baltimore was recently completed.

*

City Planning As a Safeguard in City Finance.—The Chamber of Commerce of the United States is making special efforts, through its construction and civic development department, to stimulate interest in city planning and, particularly, in giving city planning a legal status which will make for careful consideration of public works projects in relation to a comprehensive and long-range plan. A series of brief educational bulletins for chamber of commerce executives is to be issued, the first of which came out in August under the title, "New Opportunities for City Planning". The following excerpt emphasizes the relation of city planning to municipal finances:

"The lack of effective city planning in many communities, and the failure to undertake any planning activities in other communities, show up eventually in tax and public utility rates, bonded indebtedness, and delinquent taxes. When these are unfavorable, examination of the causes frequently reveals, among others, unwise or untimely expenditures for public improvements and uneconomical subdivision of land for residential purposes, which place burdensome costs for expensive extension of public services on the city as a whole. The financial difficulties of many cities properly may be charged in substantial part to their failure to utilize effective city planning procedures."

*

Police Chiefs' Meetings.—The annual meeting of the International Association of Chiefs of Police will be held in Washington, D. C., on September 24 to 27, inclusive.

In June a notable police training school was held in Wichita, Kansas, which was financed by the Kansas League of Municipalities, and directed by Chief O. W. Wilson of Wichita; the Kansas Police Association assisted in organizing the school. Eighty-two police officers completed the course and received certificates, and thirty others attended part of the time.

*

Regional Meetings for Municipal Officials in New York State.—In accordance with a resolution adopted at the last annual meeting of the New York State Conference of Mayors and Other Municipal Officials, arrangements have been made for twelve regional meetings for city and village officials, which will be held between September 21 and December 6. Each meeting will consist of two sessions on one day, beginning at 10 a.m. and 2 p.m., respectively. This will give officials of practically all municipalities in each of the twelve zones enough time to travel by automobile to attend a full meeting and return on the same day, without expense to his city or village. No set speeches and programs are planned; a part of the time will be devoted to the presentation and discussion of local problems by municipal officials, the remainder of the time to be spent in discussion of legislation.

The conference is also planning a training school for public welfare commissioners and their principal assistants, to be held in Albany on October 15, 16, and 17, in coöperation with the New York State Department of Social Welfare and the New York State Temporary Emergency Relief Administration. The school will be held at the same time as the New York State Conference on Social Work and will utilize the institutes of that conference for the major part of the instruction to be offered.

Training schools for city and village clerks and purchasing officials were held in Jamestown in June under the auspices of the Mayors' Conference.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

New York—A Model County Planned.—With Tompkins County as its laboratory, the New York State Temporary Emergency Relief Administration soon will begin one of the most ambitious experiments in welfare work ever undertaken by a government agency—the development of a model county.

The state and county together will pour into the project hundreds of thousands of dollars to develop rural roads, re-plan school districts, create recreational and social groups, and establish subsistence homesteads.

The TERA is expected to start the experiment with an initial allowance of $200,000, which will be turned over to the newly formed development board. The plan has been accepted by the county board of supervisors.

Tompkins County was chosen for the development by the rural advisory committee of the TERA, of which Dean Carl E. Ladd, of the State College of Agriculture at Cornell University, is chairman.

The county was selected because it had made a notable record in civic improvements, particularly in and about Ithaca, such as roads, parks, drainage systems, bridges and playgrounds. The record of the county and city in using government money under the CWA and TERA also was recognized in making the selection.

The project will include the purchase of sub-marginal lands and their transfer to the state conservation department for reforestation and use as game refugees.

Roads will be improved in accordance with the needs revealed by the land-use surveys; electric power lines will be extended in cooperation with local residents, and the state department of education will be called upon to aid in re-planning the school districts. Transplanted marginal farmers will be organized into educational, recreational, and social groups with the aid of local agricultural extension supervisors.

*

Texas—Two Offices Combined.—Until recently the constitution of the state of Texas provided for the election by popular vote of a county tax assessor and for the separate election, likewise by popular vote, of a tax collector. Some two years ago the state legislature proposed an amendment combining the offices of assessor and collector of taxes, and in November 1932 the proposed amendment was approved by popular vote. In many counties in the primaries currently under way (July 28 and August 25) both the former assessor and the former collector are seeking the nomination for the new office—frequently, it may be noted, on the second term plea.

It is not known precisely what course of reasoning led to the combination of these two particular offices. It is worthy of note, however, that some small progress has been made in the reorganization of county government in this state. The step taken is a lame and halting one, but it constitutes an entering wedge. It is quite likely that more will be heard of the county reorganization movement in the next several months.

ROSCOE C. MARTIN
University of Texas

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Virginia—Managerial Government Has Auspicious Start in Henrico County.—After a legal fight,[1] the new Henrico County board of supervisors was installed in office and in March 1934 elected Willard F. Day as manager. Mr. Day was a civil engineer before entering the profession of city manager. Before coming to his new post he had made an excellent record during his eleven-year term as manager of Staunton, Virginia, the little city in the Shenandoah Valley where the managerial system originated. Opportunities for the exercise of his managerial ability will be broadened in Henrico which is the semi-urban county lying around Richmond. His salary will be $5,000 a year. He has taken over the directorship of the important department of finance where he will exercise duties formerly held by the county treasurer and the commissioner of revenue, and will supervise purchasing, auditing, and the preparation of the budget.

In the new county organization are seven departments, namely: finance, public works, public welfare, law enforcement, education, records, and health. Old offices abolished are

[1]See the NATIONAL MUNICIPAL REVIEW, June, 1934. p. 325.

county surveyor, coroner, superintendent of the poor, constables, school trustee electoral board, and inheritance tax commissioner; their duties are taken by director of public works, commonwealth attorney, superintendent of public welfare, and sheriff respectively. The anomalous school trustee electoral board had outlived its purpose and leaves no successor.

An interesting feature about the budget for the fiscal year 1934, submitted by Mr. Day to the board of supervisors, is a revenue item of $31,300 which under the old government represented fees paid sheriff, county clerk, commonwealth attorney and trial justice. State aid accounts for 30 per cent of the revenue and the appropriation for schools represents 47 per cent of the total expenditures.

James E. Pate

College of William and Mary

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Mississippi — County Indebtedness. — A new statute in Mississippi requires annual auditing of each county's books by the state auditor's office and marks a change from the old system wherein each county was virtually a law unto itself. The following is based on a survey of the funded debt of the counties made by the state auditor.

The total bonded indebtedness of the eighty-two counties is $75,552,213 or $37.59 per capita, and equals 13.6 per cent of the $555,990,470 of assessed valuation, this valuation representing a shrinkage of approximately 50 per cent in the past five years. Road and bridge bonds account for over two-thirds of the total or $56,052,876; schools, $6,770,567; courthouses and jails, $2,311,500; and miscellaneous, $10,417,270. Six counties have over one-half of the courthouse and jail indebtedness, and the three gulf coast counties, with bonds aggregating $4,532,500 issued for seawall-road protection, account for nearly one-half of the miscellaneous indebtedness.

Bonded indebtedness of counties is limited to 10 per cent of assessed valuation, a maximum which is exceeded by fifty-one of the counties. This is, of course, accounted for in large measure by the great decrease in assessed valuation. County indebtedness ranges from $23,000 or $1.19 per capita, in Pearl River County to $6,010,900, or $136.17 per capita, in Harrison County, this per capita figure being exceeded by Hancock County which has a per capita debt of $152.18. The fifty-one counties with an indebtedness in excess of the limitation have debts ranging from 10.1 to 39.6 per cent of assessed value while in the remaining thirty-one counties the ratio is as low as .42 per cent.

In one county funded obligations equal 39 per cent of assessed valuation, and it is stated that a tax levy of 80 mills would not take care of interest and principal requirements during the next four years. In common with other heavily burdened counties, this county is endeavoring to rearrange its debt set-up so that a reasonable levy will take care of the obligations during a twenty-year period. The present calendar requires this county to meet a debt service charge which will average $161,914 and which ranges from $332,783 to $5,150 per year for the twenty-one-year period. If better distributed it would be possible to retire this indebtedness, acquired largely when the county was created in 1918 for the provision of essential services such as roads and schools, without a confiscatory tax levy.

The serious debt situation cannot be ascribed either to the lack of centralized control or "politics" but to a number of factors: *first,* the decline in assessed values, amounting in some cases to over 50 per cent in the past five years; *second,* the rapid development of roads and schools during the period of easy credit and high valuations; *third,* in the case of a few new counties formed from remote parts of pre-existing counties, a reasonable use of credit in providing communication and educational facilities.

At the recent annual meeting of the Association of County Supervisors steps were taken to make a thorough study of the debt-ridden counties as the basis of a voluntary refunding proposal which would bring necessary relief to a burdened people. This will take the form of a refunding issue to take up existing bond issues and provide for retirement uniformly over a reasonable period of time. It appears necessary to refrain from further issuance of bonds for new purposes until this present indebtedness has been taken care of.

David Wilbur Knepper

Mississippi State College for Women

Tennessee—To Curb "Fee Grabbing".— Legislative changes to curb "fee grabbing" were outlined in the first report of the Committee of 100 in Chattanooga. Three specific recommendations were made which were comparable to efforts of a similar nature in other states. The changes urged were:

1. That the city charter of Chattanooga be amended to confer on the city court judge exclusive jurisdiction for the arrest and trial of persons accused of misdemeanors in the city.

2. That state law be revised to the end that all persons accused of misdemeanors in the four largest cities (Memphis, Nashville, Chattanooga and Knoxville) be tried without juries except where their fines would exceed $50.

3. There should be no more field deputy sheriffs (who have worked from J. P. courts with slight supervision, and who are allowed $200 maximum in fees) than are needed to enforce the law, and that they should be paid fixed salaries.

Editorial response to these proposals has been prompt and commendatory, and effort is now being made to pledge legislative delegations for the reforms.

FRANK W. PRESCOTT
University of Chattanooga

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Missouri—Counties Prepare Budgets.— Marked improvement has been made in Missouri county government and administration during the last twelve months. The general assembly in 1933 enacted laws requiring the preparation of county budgets, installation of uniform records and accounts, and periodic auditing of county offices and institutions.

Chief credit for this improvement belongs to the state auditor and his staff who have handled their new supervisory duties with rare tact and judgment. The provisions of the new laws were discussed by the auditor, his chief clerk, and other members of his staff at the 1933 convention of the Missouri County Clerks' Association, in a series of nine regional conferences for county clerks, and in personal interviews with county officials.

For the first time in the history of Missouri, the state auditor has on file in his office budgets from more than 100 of the 114 counties. Each of these budgets was prepared by the county clerk, who is budget officer in counties of less than 50,000 population. The budget was then submitted to the county court for its consideration and approval. (The Missouri county court is in reality a county board of three commissioners or supervisors, retaining only a few minor judicial powers.) A copy of the budget, as approved by the county court, must be filed with the state auditor. The old statutes did not even require the preparation of a budget, so only rarely did a county clerk attempt to make one.

It has been necessary, however, for the state auditor to interpret liberally certain provisions of the budget law so that county clerks could distribute proposed expenditures among the six specified classes and at the same time balance the budget. Thus administrative discretion has made flexible a very rigid law.

A few clerks oppose the new law because it has interfered with the scheme of budgeting which they themselves devised under the old law. Despite these objections the response from the 109 counties having less than 50,000 inhabitants has been much more favorable than the writer anticipated.

The response has not been so favorable from the five counties having more than 50,000 population. The constitutionality of this portion of the budget law is now being contested in the courts. Only one of these counties has filed a budget with the state auditor.

WM. L. BRADSHAW
University of Missouri

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Arkansas—County Consolidation Considered.— At the annual meeting of the Arkansas Peoples' Conference on Government, a state-wide nonpartisan organization of civic leaders, held at Hughes, Arkansas, June 10-11, two sessions were devoted to problems of county government. County consolidation and initiated county salary acts were subjected to examination.

A paper on "County Consolidation" presented by Mr. J. N. Heiskell, editor of the Arkansas *Gazette,* contained an excellent survey of the published material on this subject. In discussing the possibility of consolidation in Arkansas, Mr. Heiskell called attention to the following facts: of Arkansas' seventy-five counties, eight have an assessed

valuation less than $2,000,000 and twelve have less than $2,500,000; county populations range from 137,727 in Pulaski to 7,695 in Perry, and assessed valuations range from $72,053,125 in Pulaski to $965,971 in Stone. In 1932, he said, "the Arkansas county among the fifteen with the lowest valuations had an ad valorem revenue on the basis of a five mills rate, of only $5,819 . . . the county among the fifteen with the highest valuations had on the basis of a five mills rate an ad valorem revenue of only $12,713[1]. . . Every county in the state must have the same officials, with the exception that in counties of less than 15,000 population the circuit clerk shall serve also as county clerk. Although three counties have fallen below 15,000 population they continue to support both circuit clerks and county clerks. Although Arkansas has for many years had no more than 75 counties, it has 86 courthouses, each with its county officers. One of the counties with two courthouses, Franklin, has only 15,573 inhabitants, another, Sharp, has only 10,715 people, and an assessed valuation of $1,786,-132."

Opponents of county consolidation were given an opportunity to voice their views in a symposium following Mr. Heiskell's paper. They stressed the undesirability of consolidation because of the resulting centralization which would inevitably diminish local self-government, the unfortunate experience of Arkansas with consolidated school districts, the possibility of building even more powerful "courthouse rings," and the economic loss to the citizen and the county government.

Fixing Salaries by Local Initiative.— At the same conference a paper on "The County Salary Act in Arkansas" was read by Edward H. Coulter, El Dorado, Arkansas. At the present writing almost fifty Arkansas counties have initiated local acts fixing the maximum salaries of all county officials, fixing the number and salaries of all deputies, clerks, and assistants, and prohibiting the employment by an official of any person related to him within the fourth degree of consanguinity. The chief objectives of the county salary acts are to curtail the fee system and to permit regulation of official salaries by the voters in each county. These acts may be regarded as an exercise of a modified county home rule.

Mr. Coulter pointed out that the present instance is the first widespread attempt to utilize the initiative procedure in obtaining local or special county legislation in Arkansas. One county, Union, has operated under a locally initiated salary act since 1932, and according to Mr. Coulter, salary expenditures for the year 1932-1933 were over $60,000 less than in 1931.

The initiated salary acts are based upon the Union County act and a model salary act drawn up by a joint committee representing the Arkansas Peoples' Conference on Government and the state chamber of commerce. The final date for filing initiative petitions is September 6, 1934; petitions will be submitted to the electorate November 5, 1934.

KENNETH O. WARNER
University of Arkansas

[1]The constitutional tax limit for Arkansas counties is five mills.

TAXATION AND GOVERNMENT

Edited by Wade S. Smith

Census Survey of Tax Delinquency.— Tax delinquency is far more prevalent among properties of an income-producing type than among those of a non-income-producing type, analysis of early releases by the Bureau of the Census on tax delinquency throughout the country shows. Sixty selected cities were intensively studied by the bureau as part of the Civil Works Administration program, and tabulations on twenty-four of the cities are available at this writing. Preliminary releases on some of the county studies, tabulated by states, were discussed in this department in June.

The study of the selected cities, made in connection with the real property inventory, was for the purpose of learning the responsibility of the different types of real property for unpaid taxes. Local supervisors were instructed to select a representative number of properties of different types in all sections of the city, with thorough covering of the downtown, industrial, and high-class apartment areas. Properties were classified under ten headings: one family dwellings; multiple dwellings; apartment houses; stores; flats over

stores; vacant lots; office buildings, warehouses, and theatres; industrial; garages, gas stations, and miscellaneous; and hotels, clubs, and rooming houses. Data as between different cities is comparable, except that for a few cities figures cover the fiscal year 1933 instead of 1932.

The tabulations compare the assessed valuations, tax levy, and tax delinquency of the different types of property, in detailed as well as summary tables. Tax delinquency is distributed among the types both as to number of properties delinquent and to amount of taxes owed. Unfortunately, some of the value of such a study is lost, in that this study is limited to an analysis of properties as such, and does not include data on ownership. The inference is justifiable that certain of the types of property are normally income-producing and are considered as potential sources of income by their owners; for other classes, as one-family and multiple dwellings and vacant lots, the extent to which expectation of income is incident to ownership is not so clear. Yet local governments, in dealing with tax delinquency, have found that owners must be classified if an intelligent collection program is to be formulated; home owners and real estate operators obviously require policies differing in important respects.

The extent to which home owners are responsible for tax delinquency is also important in view of the vast amount of legislation which has been passed recently purporting to "lighten the burden on the small home owner". The fact that several cities which have themselves analyzed their delinquent tax rolls have found that this type of owner is responsible for a relatively small amount of the tax arrears as compared with the real estate operators makes reliable and extensive information on this point even more necessary if tax delinquency data is to be of the greatest help in tax collection programs. It is possible that in its finished state the nation-wide tax delinquency study will throw much valuable light on the matter; in the meantime, it is possible to draw certain broad inferences from the data at hand.

By grouping the different types of property into income-producing and non-income-producing classes, with one-family dwellings and vacant lots classed arbitrarily as non-income-producing, it is found that the non-income-producing group is in general responsible for the smaller share of the amount of taxes delinquent. In half the twenty-four cities non-income-producing property owed less than one third of the total delinquency. In one third of the cities non-income-producing property owed from a third to a half of the tax arrears. In only a sixth of the instances did non-income-producing property owe more than half the delinquent taxes.

Obviously a portion of the one-family dwellings are occupied by renters, which would tend to reduce the proportion of really non-income-producing property occupied by the "small home owner". Furthermore, it is reasonable to assume that a good deal of the vacant lot property is held by operators, thus cutting still more into the amount of tax arrears for which the small owner is responsible. In spite of the fact that reports of some of the cities show one-family dwellings with greater delinquency than any other single one of the ten classes, these one-family dwellings compared with the types which are of a revenue-producing character make a showing which certainly entitles the "small home owner" to hold his head above his fellow delinquents. Considering the one-family dwellings only, it is found that in a third of the cities this type of property was responsible for less than a fifth of the tax arrears; in slightly more than half of the cities the group owed from one to two-fifths of the arrears; and in only two cities did it owe more than half the unpaid taxes.

As might be expected, the studies show a tendency for the one-family dwelling delinquency to be larger in percentage distribution in cities with the higher city-wide delinquency. There are, however, wide variations in this respect. Thus, the city-wide tax delinquency for the first third mentioned in the paragraph immediately preceding averaged about 15 per cent, yet the actual delinquency ranged from 1½ per cent to 31.2 per cent. The median grouping owing from a fifth to two fifths of the total taxes due had a city-wide delinquency averaging 24 per cent, with individual instances ranging from 2.2 per cent to 87.6 per cent. And in the two cities where one-family dwellings owed more than half the arrears, the city-wide delinquency

averaged about 27 per cent, but was 9.4 per cent in one instance and 69.4 in the other. The inclusion of the remaining thirty-six cities studied may of course reduce the significance of these wide variations, yet their appearance does suggest that to a large extent tax delinquency breakdowns will be chiefly of local value, and cannot easily be made comparable in many vital particulars as between numerous cities.

Cities for which reports have been received are Phoenix, Ariz.; Sacramento, Calif.; Pueblo, Colo.; Jacksonville, Fla.; Atlanta, Ga.; Des Moines, Iowa; Shreveport, La.; Hagerstown, Md.; Minneapolis, Minn.; Nashua, N. H.; Binghamton, N. Y.; Reno, Nev.; Greensboro, N. C.; Cleveland and Cleveland Heights, O.; Oklahoma City, Okla.; Portland, Ore.; Providence, R. I.; Sioux Falls, S. D.; Austin, Dallas, and Wichita Falls, Texas; Richmond, Va.; and Casper, Wyo. Copies of the reports, which are preliminary, may be secured by writing to the Division of Real Estate Taxation of the Bureau of the Census, Department of Commerce, Washington, D. C.

*

Tax Strikes a la 1934.—Two press dispatches, one from Ireland, the other from Pennsylvania, carry their own significant comment on the changing attitude toward tax collection efforts in the United States. The press note from Doylestown, Pennsylvania, tells that on August 6 a mob of farmers and frantic telegrams from Governor Pinchot did not daunt Bucks County officials determined to sell 1,500 parcels of property for delinquent 1931 taxes. A year ago last January farmers in the same county successfully thwarted a sheriff's mortgage sale, buying in all a farmer's assets for a total of $1.18 and turning them over to him afterwards. This year the officials stood their ground, and the county commissioners bought in virtually all the distressed property. Important is the fact that they notified the governor that they would not postpone the sale, but pointed out that owners had two years to redeem their properties, and that no one would be put out of his home.

In Cork, Ireland, a mob was more successful in taking the fiscal affairs of the city into its own hands. On August 13 officials sought to sell cattle seized to satisfy real estate taxes, and were rushed by a truck load of farmers in a riot resulting in one death and numerous injuries.

The Doylestown affair suggests that this type of incident is no longer a power in the United States. The Pennsylvania protesters, as well as others of their kind elsewhere, seem definitely to have lost their old tax strike enthusiasm.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

New York Vote Postponed.—By one of those political miracles which sometimes happen shortly before important elections the New York legislature has unanimously abolished the New York City charter commission because it would not go far enough in charter revision to satisfy Ex-Governor Smith, Judge Seabury, and other civic leaders, and has authorized Mayor LaGuardia to appoint a new commission of nine members to submit a new charter to the voters after January 1, 1935.

That means, among other things, that the nineteen to nine vote of the old commission to submit P.R. to the voters is no longer of any legal effect. It seems probable, however, that the vote on the adoption of P.R. in New York City is merely postponed till next year. Before this note appears in print the mayor will doubtless have appointed a commission that will strive to do a more thorough-going job of charter revision than the old one gave promise of doing. With most of the important civic bodies, Judge Seabury, Governor Smith, and the mayor himself on record for the submission of P.R., a reversal of the decision of the old commission to submit it is hardly to be expected.

Moreover, the importance of the body to which P.R. is to be applied if adopted may well be increased. The old commission had voted to allow the voters to adopt it for a new city council with large powers, not only superseding the board of aldermen but, with the mayor, having exclusive control over local laws and final control over the budget. The board of estimate and apportionment was to be retained as a separate administrative board with jurisdiction over such matters as the arrangement of particular franchises and contracts. Judge Seabury and other civic

leaders whose views may have great weight with the new commission would abolish the board of estimate as well as the board of aldermen and give all the powers of both bodies—except such as might properly go to administrative departments—to a city council elected by P.R.

Another P.R. proposal—less far-reaching—is slumbering in committee in the board of aldermen. This is a proposed local law by Alderman David L. Klein, Fusion-Republican of Flatbush, to reduce the board of aldermen from sixty-five to twenty-one members and have them elected by P.R. from four large districts—Brooklyn seven, Manhattan six, the Bronx four, Queens and Richmond four. Mr. Klein also appeared in favor of P.R. at one of the hearings of the old charter commission.

New light has recently been thrown on the much-debated question of whether P.R. might possibly receive a favorable vote in New York City on its first submission. A young people's nonpartisan civic organization known as the Representative Party stationed members at various busy corners in different parts of the city to question passers-by without selection on five important civic issues. To the fifth question, "Are you in favor of proportional representation?", 86,511 answered yes, and 31,487, no.

*

Prospects Good in Toledo.—All the Toledo daily newspapers are backing the P.R.-city manager amendment to the city charter on which a vote is expected this fall. Toledo University students and alumni are continuing to render valiant service in the campaign. Chief opposition comes from certain sections of the city which are anxious to retain local representation and do not yet understand that P.R. at large assures it just so far as the voters wish it.

Toledo had a P.R.-manager campaign in 1928, when a charter based on the model city charter of the National Municipal League was brought forward by an official charter commission. At that time the situation was successfully confused by the city council, which put another city manager amendment on the ballot at the same election. Analysis of the vote showed that a large majority had almost certainly voted for the manager plan in one form or the other and more voted for the P.R. than for the decoy charter, but the new charter forces were sufficiently divided by the ruse so that neither proposal carried.

*

Springfield Considers P.R.—Another Ohio city which may vote in the near future on a P.R. amendment is Springfield. Springfield is one of the pioneer city manager cities, having used the plan since 1914. But mediocre city councils have prevented the plan from giving the distinguished service enjoyed by many other manager cities.

Last year, under the quiet effective leadership of Walter J. Branson, an influential group was called together for two meetings with the editor of this department and plans for the submission of a P.R. charter amendment at a later date were seriously discussed.

This spring first steps were taken by a larger group toward the permanent organization of a nonpartisan citizens' committee to emulate the City Charter Committee of Cincinnati in advancing the civic welfare of the city. Bert F. Downey, president of the Springfield Rotary Club, was made temporary president. The organization meeting, sponsored by the four luncheon clubs of Springfield, was addressed by Mayor Russell Wilson of Cincinnati, who devoted a major share of his attention to the advantages of P.R. as exemplified by the comparative experiences under city manager charters of Cincinnati and Kansas City.

*

New Jersey Gets a Constructive Proposal to Abolish Primaries.—Assemblyman Theron McCampbell of Monmouth County, who was an independent candidate for governor in the recent Democratic primary, sponsored a comprehensive P.R. bill this year in the legislature of New Jersey. The measure, known as Assembly Bill No. 276, proposed to put up to the people of the state the abolition of all primaries and the conduct of all elections by proportional representation or majority preferential voting. The Hare system of P.R. was to be used wherever two or more were elected to an office from the same district, as in the case of assemblymen from all the larger counties, and the corresponding system of preferential voting—generally known as the alternative vote—wherever a single official was to be chosen.

The bill was introduced for educational purposes and received favorable comment from newspapers in several parts of the state.

"New Jersey will probably not accept such a method of naming its officials," said the Bergen *Evening Record* of March 1 editorially, "but it is worth the study and consideration of people who are tired of government by a few."

*

A Recommendation for Chicago—E. O. Griffenhagen, efficiency engineer who conducted a governmental survey of Cook County for a committee of the Illinois legislature two years ago, recently outlined for the public affairs committee of the Chicago Union League Club "a comprehensive plan for the unification and simplification of Cook County's present bramble patch of local governments." His prescription for the city government of Chicago was as follows: "Employ a city manager and replace the present city council with a body of not more than twenty-one, and perhaps of eleven or fifteen members, elected at large in the city by proportional representation. The council would pass on matters of policy only."

*

Local Elections in Ireland.—First in importance among the most recent P.R. events are the elections in the Irish Free State which took place on the 26th June, 1934. In Great Britain, Parliament has not yet granted powers to local authorities to use P.R., but this electoral system was used in all the local government elections in the Irish Free State. They include county councils, over twenty in number, and urban councils totalling nearly eighty; the latter range from the larger boroughs like Cork, Waterford, and Limerick, down to small townships. The city of Dublin, which elects its council by special conditions under P.R., did not hold its elections at this time. In all, about one hundred returning officers were responsible for conducting elections under the P.R. system. The elections proceeded quite smoothly. In Dublin County, where there was a 70 per cent poll, and in some other areas, the results were announced the following day. Elsewhere there was a little delay, as in county Cork, where the counting of the votes in the several divisions took place consecutively and not simultaneously.

The election results present a marked contrast to those in Great Britain. In the Irish Free State there is no monopoly of representation either in any electoral division or in any town or county taken as a whole. In London, however, several borough councils consist of representatives of one party only, whilst on the London county council great blocks of constituencies are represented by one party, some fifty-four seats contiguous to one another having given last March the following result:

Party	Votes	Seats
Labour	395,654	54
Municipal Reform	198,991	0
Liberals	30,967	0

Moreover, everywhere in the Irish Free State P.R. has assured a reasonable relation between the votes cast and the representation secured. In Glasgow, on the other hand, in the elections held last November under the British "majority" system, a party polling 98,000 votes out of a total of 310,000 secured 21 out of the 35 contested seats.

The Corporation of the City of Cork consists of 21 members. The members hold office for three years, and one-third retire every year. The whole city is one constituency, and so far from there being any monopoly of representation, the three main parties —Fianna Fail, United Ireland Party, and Labour—each secured in this recent election two representatives, whilst the seventh seat was won by an Independent, who headed the poll.

The Irish counties are divided for county council elections into districts returning on an average from six to eight members. Conditions are therefore favourable to full representation, and the working of the P.R. system can be illustrated by examples from Dublin, Kerry, and Cork.

The figures for Dublin County (first preferences) were:

Party	Votes	Seats
United Ireland Party	11,398	12
Fianna Fail	10,254	10
Labour and Ind. Labour	2,445	1
Independents	1,867	1

The two large parties obtained representation in each division; their representation for the whole county is almost strictly proportionate. An Independent was successful in

one division, and an Independent Labour candidate in another. These polled the requisite number of votes in their respective divisions.

The largest county is that of Cork. The figures for the whole county were:

Party	Votes	Seats	Seats in proportion to votes
United Ireland Party	41,096	37	36
Fianna Fail	26,648	25	24
Labour	6,640	5	6
Independents	2,289	1	2
Totals	76,673	68	68

The new Cork county council is fully and fairly representative of those who voted. The large parties gained seats in each division and in the total result have a slight advantage over the smaller groups.

The United Ireland Party was the largest party in each of the eight divisions into which the county of Cork was divided. If instead of the proportional system, the block vote had been used, as in the London borough council elections, the whole of the sixty-eight members of the Cork county council would probably have been drawn from representatives of one party, the United Ireland Party.

In the county of Kerry, Fianna Fail was in the ascendant in each division. Under the block vote this party would probably have gained the whole of the thirty-four seats, whereas under the proportional system the result was:

Party	Votes	Seats
Fianna Fail	19,024	20
United Ireland Party	10,676	10
Independents	6,175	4
Labour	660	0

These Irish elections prove once more that representation depends not only on the votes cast but on the method of election. Under the block vote, the results for the Cork and Kerry county councils would have resembled the results in Bethnal Green, Fulham, Wandsworth, Chelsea, and other London boroughs, the councils of which consist of members of one party only.

As in all P.R. elections, public interest was widespread. There was a large poll; there were contests everywhere, for in every area the minority had a chance of securing a share of the representation.

JOHN H. HUMPHREYS, *Secretary*
British Proportional Representation Society

Stoughton Cooley.—On May 31 the P.R. movement lost one of its most effective pioneers in this country, Stoughton Cooley. When the Proportional Representation League was founded at the World's Fair in Chicago in 1893, Mr. Cooley was made its first secretary, in which capacity he served capably for some years without compensation. For the first three years he edited an excellent quarterly magazine, the first series of the *Proportional Representation Review,* containing articles not only by leading American proportionalists, including William Dudley Foulke, John R. Commons, Charles Francis Adams, and Simon Sterne, but by such eminent foreigners as Sir John Lubbock, Leonard Courtney, and Ernest Naville of Geneva. (See "Proportional Representation", by Hoag and Hallett, page 187.) Although the league languished thereafter for some years for lack of financial support, it has been kept alive continuously ever since, and there is no doubt that the early efforts of Mr. Cooley and his associates did much to pave the way for the eventual use of P.R. in Cleveland, Cincinnati, and other cities and the present hopeful efforts for its adoption in New York, Philadelphia, Pittsburgh, Boston, and Toledo. For some years Mr. Cooley has lived in Los Angeles, California, less active in the P.R. movement but continuing his interest in this and other public affairs to the last. At the time of his death in his seventy-fourth year he was still a member of the P.R. League's advisory council.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Seattle Municipal League.—The annual report of the president of the League was presented at a recent meeting. Reviewing the League's activities during the past year, the president cited in particular the carefully prepared and useful reports of the committee on beer and liquor, the committee on CWA ac-

tivities and unemployment relief, and the committee on city lighting. During the year the League has carried on an intensive educational campaign to arouse support for the ideals of the city manager form of government, and an attempt was made to bring the question of adopting a city manager charter to a vote. The League has also sought legislation which would permit a reorganization of county government. Professor Joseph P. Harris, a vice-president of the League, has been particularly active in this work.

The secretary of the League, Elvin P. Carney, besides carrying the League's program, served as the chairman of the speakers bureau of the Seattle Tax Reduction League, and as a member of the Community Club's budget commission.

In the opinion of the retiring president of the League, the effectiveness of the organization can be greatly increased if sufficient funds can be secured to permit the employment of a full-time secretary who, in addition to handling the League's affairs, "can lay the beginnings of Seattle's much-needed bureau of municipal research."

The formation of the following permanent sections was recently announced: city and regional planning, education and recreation, governmental organization, public finance and taxation, public utilities, public safety and defense, social welfare.

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Los Angeles City Bureau of Budget and Efficiency.— The work of the Bureau of Budget and Efficiency has been quite varied for the past year. Revenues of the city for general purposes have decreased approximately 40 per cent in the last four years which has necessitated many critical readjustments and changes in organization.

The Bureau, working in an advisory capacity to both the mayor and council, has had to comprehend both the underlying principles and details of this situation and has formulated procedures whereby a satisfactory and balanced program of activities could be maintained within the limits of available funds.

The Bureau is an integral part of the government and must confine its activities within the scope of routine and administrative affairs. Its work for the past year has been centered in salary rate readjustments, functional organization of departmental activities, prescribing statistical and accounting procedures for the purpose of collecting information to measure the efficiency, extent, and cost of activities, and the readjusting of the general financial work programs of the government in order to fit the rapidly changing demands being imposed upon it.

The activities of all departments have been charted, both upon the line of authority and functional basis, and the cost of each function expressed in terms of expenditures, number of personnel employed, and percentage of salaries to other expense. Detailed administrative surveys have been made of several of the larger departments and extensive recommendations made for the reorganization of such services. This routine work shows its greatest benefit in the advisory assistance that the Bureau gives to the mayor in the preparation of his annual budget, and the very nature of the work already done and the realization of existing difficulties indicate that the work of the Bureau for the next year must be more closely centered in administrative and financial control than ever before and will possibly include the study of changes in the basic organization as determined by charter.

Roy A. Knox, *Director*

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Fitchburg Taxpayers' Association, Inc.— With the double object of reducing the cost and increasing the efficiency of local municipal government, the Fitchburg (Massachusetts) Taxpayers' Association, has, during the past year, made surveys of a number of city departments.

The most detailed of these studies concerned the public welfare department, which has since adopted many of the recommendations of the Association, with a consequent improvement in welfare administration. Suggestions made by the Association concerning the water and cemetery departments, particularly with a view to eliminating the need of any tax appropriation for those departments, are now under consideration by the city government, and it is probable that some of the more important will be accepted in the near future. The Association, with the coöperation of the local school committee, is now engaged in a detailed study of the school department, which it is hoped will result in the adoption of a comprehensive, long-time plan for development of Fitchburg schools.

The Association was also instrumental in

the passage of a city budget which should prove low enough at least to prevent an increase in the local tax rate; and has actively coöperated with the Massachusetts Federation of Taxpayers' Associations in various movements for economy in state government.

GARDNER C. HUDSON, *Director*

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Ohio State Tax Commission.—The 90th general assembly of the Ohio legislature in the second special session this spring passed a bill authorizing the Tax Commission of Ohio to establish and maintain a section of research and statistics. This section will carry on a continuous research program and will study the practical operation of taxation and revenue laws in Ohio and in other states. This is the first time that a definite department of the Ohio Tax Commission has been set aside for research and statistical analysis.

The present program of the research section continues the projects undertaken by the special joint taxation commission. Probably the most important project is the analysis of the effects of the recently enacted constitutional amendment limiting tax levies to 10 mills. This is a reduction of the prior constitutional amendment limiting tax levies to 15 mills. Studies are being made of all revenue resources of the state and local subdivisions. Another project nearing completion is a thorough analysis of delinquent property taxes in the state. The three major factors affecting tax problems in Ohio are: reduction in the value of property subject to the general property tax; limitation of tax levies and the resultant loss of local revenues; the amount and effect of delinquent taxes. All of these matters are receiving the attention of the research staff of the Commission.

Constructive legislation dealing with financial problems of government has been handicapped in the past by a lack of accurate knowledge. It is hoped that the research activities of the Tax Commission will be helpful in furnishing the needed information.

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Emory University.—The seventh annual Institute of Citizenship was held in February on the campus of Emory University in Atlanta, Georgia. This annual conference is attended by citizens throughout the state who are interested in public affairs. The central theme of the meeting this year was the New Deal. In addition to addresses dealing with national and international economic problems, Robert Mizell, president of the Taxpayers League of Atlanta, led two round table discussions on the problems of local government; the Honorable Abit Mix of the University of Georgia Law School, Athens, Georgia, spoke on the problems of state government; and Chester McCall of the United States Department of Commerce, speaking on "Youth and the New Deal," outlined the projected school of public affairs now being organized in Washington. Numerous others participated in the round tables on these subjects.

The Institute's director is Cullen B. Gosnell of the political science department of Emory University.

*

St. Paul Civil Service Bureau.—The chief examiner of the Bureau, John B. Probst, has recently issued a very readable and informative report on Personnel Administration in St. Paul during 1933. This little booklet might well be taken as a model of what constitutes an adequate annual report of a municipal personnel agency. Four thousand persons took civil service examinations during the year. This number is 325 per cent greater than the yearly average. A great deal of time was saved in connection with the examination work through the discovery early in the year of a new method of scoring examination papers by machine. This made it possible to score up to three thousand papers an hour. A description of this new plan will be available for distribution as soon as time and funds permit.

*

St. Louis Bureau of Municipal Research.—The Bureau has just issued its report on the city budget for 1934-35. This brief report presents the essential information concerning the budget in a condensed form which citizens might reasonably be expected to read. Significant facts about the budget are brought out and made understandable by comparisons with previous years and the use of percentages. Practically all municipal research bureaus publish budget analyses similar to this one of the St. Louis Bureau. Such reports do a great deal to make *possible* citizen interest in government.

Pierce County Taxation Bureau (Tacoma).—The Bureau is actively engaged in making a functional survey of the operations and cost of all branches of county government in Pierce County. The method being pursued is generally as follows: functions provided by the state constitution and statutes and the functions carried out by county officials have been listed, and a tabulation showing in parallel columns the functions as provided by law and those now being carried on has been prepared. This tabulation shows the functions which overlap and instances where two or more county offices are engaged in the same type of work.

Methods of recording used in Pierce County are being studied as are the methods used in other counties in writing and copying tax rolls, tax receipts, checking, etc. The handling of purchases, recording of receipt and use of materials, accounting for county property and road machinery will be dealt with before the study is completed.

As a result of this survey, the Bureau hopes that, with the coöperation of the county officials, some economies can be effected by eliminating duplication of services. It is possible that the consolidation of certain departments will be recommended.

T. S. McEachran has succeeded the late J. E. Grant as director of the Bureau.

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Toledo Commission on Publicity and Efficiency.—On March 31 the Commission completed the eighteenth year of its existence. The April 14 issue of the *Toledo City Journal,* published by the Commission, contains a report of the activities of this pioneer research agency during the past year. An important project completed in this period was a report on the financial program of the city. Using the report made by Lent D. Upson in 1932 as a basis, the Commission called attention to the trend of revenue receipts and expenditures and the disastrous financial condition towards which the city was heading unless policies were changed and the recommendations of the Upson study carried out. That this prediction was justified was shown by the city ending the year 1933 with $1,600,000 bond maturities in default, employees unpaid, and a floating debt amounting to several million dollars.

A reclassification of positions and a revised schedule of salaries was prepared by the Commission at the request of the salary committee of the city council. The practical destruction of the merit system in many departments and divisions of the municipal service by the passage of an ordinance in 1932 was one of the reasons for the survey.

A third study of major importance was that of the absences in the police and fire divisions. The study showed that absences from duty were costing the city $25,000 annually, and that a minority group of employees were taking advantage of the situation. The report recommended that the entire system of handling absences be revised.

A number of research projects of less importance were carried on throughout the year by the Commission's staff, the Commission also directing a series of studies made with the help of CWA employees.

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Los Angeles County Bureau of Efficiency.—During the past year the Bureau has experimented with a plan of apprenticeship training. The plan has been highly successful and will be continued during the coming year. Four young men, from the University of California at Berkeley, University of Southern California, University of California at Los Angeles, and Stanford University respectively, were selected upon recommendation of the university authorities. These men were called "student investigators," and were paid $50 a month. Their duties consisted of securing and compiling factual data in connection with the studies being carried on by the Bureau's regular staff, and making minor investigations. After the one-year apprenticeship period is completed, it is the plan of the Bureau to place these young men in some county department under the classification of "research assistants." There is no civil service obstacle to such a plan except that final appointment will depend upon the successful passing of a civil service examination. Department heads have been extremely interested, and their cooperation is assured.

Apprenticeship training offers great possibilities for the improvement of government, and public officials have a definite responsibility in encouraging young people to train for government work and for executive or administrative positions. The inauguration in other cities of an apprenticeship plan modeled after that of the Los Angeles County Bureau is to be anticipated.

TAXING RFC BANK STOCK

To the Editor,

THE NATIONAL MUNICIPAL REVIEW:

As one of the oldest members of the National Municipal League I am writing to call attention to a statement made by Mr. Betters in his article in the August number of the REVIEW, on page 423, in which he states that one of the effects of recent national laws is "the withdrawal of bank stock purchased by the RFC from local assessment and taxation (without any thought by the federal government as to the effect on city revenues)."

In this connection I am submitting copy of an opinion rendered to the State Tax Commission (of which I am a member) by Assistant Attorney General of Maryland William L. Henderson, in which it is held that shares of national bank stock are not rendered immune from state and local taxation by reason of their ownership by RFC.

Very truly yours,

OSCAR LESER

Assistant Attorney General Henderson's opinion, referred to in Mr. Leser's letter, cites provisions in the Maryland Code by which "even in the absence of this section, the state could not tax property exempted by the federal constitution, nor could it tax property of the United States without express congressional assent."

Nevertheless, "the Reconstruction Finance Corporation subscribed to the shares of preferred stock held by it pursuant to authority conferred by the federal statute (Title 12, Section 51D, U. S. C. A.). This section does not confer any right of exemption."

After quoting decisions involving phases of the problem in various state courts and in federal cases, the opinion concludes:

"Assuming for the purposes of this opinion that the Reconstruction Finance Corporation is a federal agency, exercising a proper governmental function in a national emergency, and having no private stockholders, I am nevertheless of the opinion that the shares of preferred stock in a national bank held by it are subject to taxation by the state, by virtue of the congressional consent implicit in section 548 of the National Bank Act."

League's Business (Continued from Page 450)

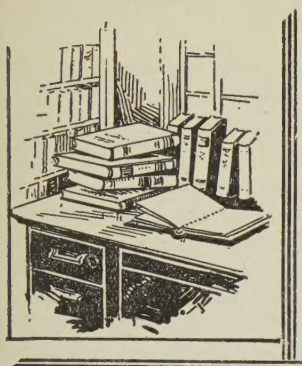
It was with some such conception in mind that the Public Administration Clearing House called the Paris round table conference. Louis Brownlow, director of the Public Administration Clearing House, presided.

At least two agencies exist at the present time for the international clearance of information concerning administrative experience and the results of research—the International Institute of Administrative Sciences and the International Union of Local Authorities. The first mentioned organization specializes in exchange of experience at the national government level and the second at the local government level. The conference felt strongly, however, that the work of these and other agencies should be greatly coördinated and somewhat expanded in order that the machinery for international clearance of information be better adjusted to the requirements.

The necessity for teamwork internationally in the field of public administration was emphasized by all in attendance as well as the necessity for developing leaders of capacity and understanding. As expressed crisply by Baron von Hahn of the International Labor Bureau of the League of Nations, "National team work needs a first class brain—international team work needs several first class brains!"

The delegates decided upon the appointment of a permanent committee to follow through the tentative suggestions proposed at the conference and work out some permanent method for international clearance of desired information.

HOWARD P. JONES, *Secretary*



RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL

The Coming American Revolution. By George Soule. New York, The Macmillan Company, 1934. 314 pp. $2.50.

No one who wishes to comprehend the meaning and direction of present events can afford to miss reading George Soule's brilliant and incisive analysis. Not only does it furnish a well focussed perspective for viewing the New Deal in its actual significance and proportions, but it provides stimulating orientation for those who are concerned as to what the instability of the present portends for the American society of the future.

That a great social revolution is under way, Mr. Soule believes there is no question; but it is still in the early stages and is not likely to reach its climax for many decades.

In the first of the four parts into which the book is divided he dispels the many naïve and unscientific ideas about the nature of revolution by projecting the present against the pattern of great revolutions of the past. In part two, "Changes Under the Surface," he points with convincing precision to the basic maladjustments in our system which are sweeping us toward the creation of a new order. In his lucid presentation of the fundamental changes in capitalism calling for "rapid readjustments of the elements of our system" which the dominant holders of wealth and power are showing an increasing incompetence to effect, he displays those broad powers of social thinking with which it would be well that more of our economists were blessed.

"The Crisis of the Thirties" takes up a dramatic third section. The collapse of the Hoover recovery policies, based on the false assumption of the fundamental soundness of the economic and social structure, the unearthed series of scandals of banking and big business and the increasing fermentation among the most seriously afflicted classes are injected tellingly as signs of the times; but the analysis of New Deal progress and policies is even more characteristic of the author's detached and balanced perspective. The partial failure, thus far, of the major policies of the New Deal he attributes to the fundamental conflict of purposes behind the scene, the attempt to keep all factions contented, the inability to follow plans through, the failure to set up proper informational and coördinating machinery for checking, and the lack of a clear-cut social philosophy to serve as a guide for planning and action. The New Deal is viewed, in fact, not as the creator of a reformed industrial system but as "an arena in which sides could be chosen and significant conflicts waged"; and its place in history will come, Mr. Soule believes, not from its success in social planning, "but as a step in the educational process which is necessary if the workers, the farmers, and the professional and white-collar classes are ever to become sufficiently mobilized and conscious enough of a program so that they can engage in successful social planning."

Mr. Soule's predictions sound a note of long-term optimism. Our knowledge tells us "that in the past, when human beings have been confronted with the breakdown and failure of old regimes, they have found their way through, sooner or later, to new ones better adapted to the times. There is no valid reason why people should not continue to do so in the future." For the near future there are the possibilities of a temporary re-

vival of business profits on the basis of a poverty level for large masses of the population, or of inflation which would make the rise of revival sharper and the ensuing drop harder. Capitalism, he believes, however, is fighting a rear guard action and sooner or later, if not under the present administration then under a later one, "if not in the next depression, then after several more depressions, a serious and informed attempt at social planning is certain to be made."

That a social revolution can be definitely charted as on its way, Mr. Soule is certain. He does not believe that it will arrive through a revolt under Communist leadership. While he recognizes "many of the raw materials of Fascism lying about" and concedes its possible temporary rise to power, "it would be but a temporary and repulsive reaction, not a solution of anything." Rather, he visualizes the upward climb of farmers, wage-earners, technical and professional men, the formulation and clarification of revolutionary ideas, a prolonged period of turmoil, uncertainty, and discomfort, and the ultimate realization of a system of socialized planning which will better conform to the needs of a technical civilization.

FREDERICK L. BIRD

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Recent Political Thought. By Francis W. Coker. New York, D. Appleton-Century Co., 1934. 574 pp. $4.00

It is particularly appropriate that this volume should have appeared at this time, though no doubt it will be read by far too few. In it, there has been essayed the task of presenting the major trends in political thought over the past eighty years. While some omissions could scarcely be avoided if the material were to be kept within the compass of one volume, the treatment of the various and conflicting theories which are considered is remarkably lucid and unbiased.

The author has chosen to divide the field into three parts, devoting a section to Socialistic Doctrines, another to The Controversy over Democracy, and the third to Political Authority and Individual Liberty. There is also a short section at the beginning devoted to a consideration of the heritage of political ideas of the mid-nineteenth century. An extensive bibliography, provided at the end of each chapter, should be of great value to those who are inspired to explore further.

Today, when there is so much change imminent, two things are necessary if any progress is to be made. First a realistic evaluation of the present order, and secondly a basic philosophy and a definite aim. Much has been done to achieve the first of these. The events and experiences of the past few years have left little doubt in the minds of intelligent persons that our present order has been tried and found wanting. Able and trenchant observations have been made and the inevitable consequences which will accompany a continuation of old practices have been clearly pictured. But there the matter seems to rest for most. Having been shown what lies in store, far too many have evinced nothing but bewilderment, meanwhile hoping for the best. Within government itself most of the supposed leaders have rather clearly demonstrated their lack of fundamental concepts, and even where admitting the evidence to be irrefutable have done no more than limp along with a patchwork of ideas and hopes which need constant overhauling.

In view of the present widespread uncertainty it is particularly desirable that the age-old questions of why we have the state, what its functions should be, and how it should be organized and controlled should again be generally examined. And any intelligent and impartial presentation of the conflicting points of view which have been evolved by those who have given serious attention to the matter cannot but be viewed with interest. While justifiable criticisms of Professor Coker's work may be made, most of them would deal with difficulties inherent in any attempt of this kind. Unfortunately all theories, or even fields of theory, cannot be included within the covers of one book. Unfortunate too that political philosophy, being of an evolutionary character, should have to be treated beginning with one point in time rather arbitrarily chosen. But bearing these things in mind, it seems that the task was well done in this instance. The choice of material shows discrimination and the point of departure was perhaps as aptly chosen as any could be.

FRED A. SCHUCKMAN

University of California at Los Angeles

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The Retirement of Public Employees in Virginia. By Rowland A. Egger. New York, D. Appleton-Century Company, 1934. 269 pp. $4.00

State and local governments in general have made poor progress in providing adequately for the retirement of public employees. With certain notable exceptions, the status of public employees differs little from that of persons privately employed in industry after they have passed the period of productive employment. The problem of retiring workers either publicly or privately employed when advanced age or other disability misfits them for useful service constitutes one of the most important issues confronting our long-time social and economic planners. It is not difficult to establish the social desirability of old-age insurance and pension systems. The difficulty arises in setting up a technique which will be practically workable. Governments have to consider closely the costs of an adequate public retirement system for the reason that any satisfactory system is likely to call for increased public contributions.

Dr. Egger is to be credited with having made a worthy contribution in a field in which there is extreme need for practical suggestions regarding the methods by which a workable system of public pensioning of municipal employees may be established. As stated in his preface, the objective of this monograph "is to assist in the accomplishment of a very practical task, and its contribution to the scholarly and academic aspects of pension theory and administration is therefore incidental."

The monograph is divided into seven chapters, the first of which is devoted to a treatment of the legal aspects of the public pension as an act of the government. It is abundantly supplied with well selected case references in pension matters which have come before the courts. Chapter II continues with a presentation of the pension as it relates to the public servant, and here, the reviewer believes, the author has made a signal contribution both as to arrangement and exposition.

Chapter III deals with salaries and living costs of Virginia municipal employees with a view toward determining the economic ability of these workers to contribute to a pension system. From his analysis the author concludes that a majority of municipal employees "cannot make an appreciable contribution to their own retirement," but he believes that most municipal employees, other than those compensated at daily or hourly rates can "be brought in under an equally contributory schedule if salaries are maintained at a level sufficient to permit pension costs without making inroads upon the minimum health and decency budgets."

Pension characteristics of Virginia municipal employees are discussed in Chapter IV, while the two chapters following treat respectively of the structure and administration of the pension system. A model pension ordinance for the municipalities of Virginia is contained in Chapter VI.

The majority of municipalities in Virginia are too small to undertake singly the establishment of municipal pension systems. An escape from the underwriting hazard attendant upon this situation is suggested in the concluding chapter of this monograph.

The first of two appendices contains a seven-page history of court cases in pension matters and the second a tabulated comparison of municipal and state retirement systems classified on the basis of employer pensions, jointly contributory arrangements and entirely contributory arrangements.

A usable bibliography and an acceptable index add greatly to the merits of this most recent publication of the University of Virginia Institute for Research in the Social Sciences.

WILLIAM H. STAUFFER

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Rebuilding in West Virginia. By John F. Sly. Morgantown, West Virginia University Bureau for Government Research, 1934. 21 pp.

For the past year and a half the daily press has carried occasional interesting items of information on West Virginia government. They have been, to a degree, supplemented by short magazine articles or references, but students of government were merely teased by the inadequacy of general information on what was apparently one of the most interesting centers of government change, even in that era. This excellent pamphlet on fifteen months of legislation supplies the necessary continuity and emphasizes the importance of the actions taken. Much of the legislation

centered about the hotly discussed and little understood tax limitation amendment, but other fundamental financial and administrative problems were also in the foreground. Professor Sly has not only told the story in his direct and interesting style, but has summarized and analyzed the events and policies in admirable fashion. This brief document should achieve an important place in the records of state government reorganization as well as in the annals of the fiscal trials of the depression period.

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Tax Limitation in West Virginia. By John F. Sly and George A. Shipman. Morgantown, West Virginia University Bureau for Government Research, 1934. 42 pp.

The second pamphlet in the West Virginia University series interpreting the rapid changes which have occurred in the state's governmental affairs during the past eighteen months, deals exclusively with tax limitation. The authors describe the background of the constitutional amendment passed in 1932, the problems involved in its application, the solution of the legislature, the difficulties created by judicial interpretations and the measures ultimately sanctioned by the courts. The final section deals with the consequences of the amendment—more far reaching than the farm and home tax relief admittedly achieved. The whole story is a thoroughly interesting one, and it is enhanced by the telling of the two competent observers. It should be made required reading for all legislators confronted with tax limitation proposals. It will be voluntarily read by all intelligently concerned with governmental fiscal problems.

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Taxes and Tax Trends. By Katherine A. Frederic. Washington, D. C., National League of Women Voters, 1934. 144 pp. Fifty cents.

Taxes and Tax Trends emphasizes again the policy of the National League of Women Voters of publishing timely studies of vital public affairs planned especially to serve as a basis for discussion and investigation to its members but also offering to students and the general public an invaluable introduction to the field covered. Miss Frederic has given an admirable presentation both of the background of taxation and its place in the broader field of public finance and in the descriptions of the various types of taxation. The chapters dealing with the several major types of taxation—grouped as taxes on property, persons, business and consumption—are handled with careful, very careful, impartiality. Recent developments in each group are given and lines of possible future changes indicated. The usefulness of the volume is enhanced by footnote references and a bibliography.

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Executive Control over State Expenditures in New Jersey. By Denzel C. Cline. Princeton, Princeton University Press, 1934. 36 pp.

New Jersey has for years been considered one of the outstanding examples of a state in need of administrative reorganization. Repeatedly attempts have been made to correct the weaknesses resulting from divided authority and inadequate financial control. Finally, in 1932, with a financial crisis threatening, the state asked Princeton University to study the situation and make suggestions for economies and administrative changes. The resulting legislation, enacted in 1933, while it fell far short of setting up an ideal system, did provide the basis for some improvement. Much depends on the administrative details developed by the commissioner of finance, a new office created as the representative of the governor.

Professor Cline has presented admirably the background and extent of executive fiscal control. His thorough knowledge of his subject, aided by clear and direct writing, makes this monograph of extraordinary value to students of administrative organization and financial affairs generally, as well as to those with a special interest in the state of New Jersey.

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Collection of Delinquent Real Estate Taxes in Virginia Cities. Municipal Reference Bureau. Richmond, League of Virginia Municipalities, 1933. 14 pp. mimeo. Fifteen cents.

This report, No. 134, continues the study of real estate taxes in Virginia by describing the methods employed by various municipalities in collecting delinquent taxes. The report also uses Mr. Chatters' suggested procedure for collecting delinquent taxes, and gives the 1933 state laws amending tax collection procedure. The Municipal Reference Bureau has published a series of pamphlets on tax collection, which, although each is in itself a unit, form, as a combination, a particularly useful description of procedure and results in Virginia municipalities.